



EARLY
INTERVENTION
FOUNDATION

THE COST OF LATE INTERVENTION: EIF ANALYSIS 2016

HAROON CHOWDRY AND PETER FITZSIMONS

TABLE OF CONTENTS

Foreword	4
Summary	7
Introduction	9
Methods and data sources	9
Analysis: The cost of late intervention	11
How has our estimate changed since last year?	15
How does spending on late intervention vary across England?	17
Conclusion	20

ACKNOWLEDGEMENTS

This report and the technical analysis underpinning it have both benefited from a range of helpful comments and contributions. Nevertheless, the analysis and findings presented in this report are the views of the authors only.

The aim of this report is to support policy-makers, practitioners and commissioners to make informed choices. We have reviewed data from authoritative sources but this analysis must be seen as supplement to, rather than a substitute for, professional judgement. The What Works Network is not responsible for, and cannot guarantee the accuracy of, any analysis produced or cited herein.

Foreword

Early intervention is about identifying and responding to signals of risk for children and families before problems become more difficult to reverse, from conception to young adulthood. Early intervention approaches which have strong evidence of impact have the potential to reduce the likelihood of poor long-term outcomes for children. This not only benefits children now and in the future, but also wider society and the economy.

The Cost of Late Intervention: EIF analysis 2016 updates the analysis we published last year.¹ Its focus is on the immediate and short-run fiscal costs of what we call 'late intervention': the acute, statutory and essential benefits and services that are required when children and young people experience significant difficulties in life, many of which might have been prevented.

The headline is that late intervention continues to be expensive. In England and Wales, we spend nearly £17 billion per year – nearly £300 per person – on the damaging problems that affect children and young people such as domestic violence and abuse, child neglect and maltreatment, mental health problems, youth crime and exclusion from education and the labour market. While this figure is substantial, it is only the immediate fiscal so does not capture any lasting effects into adult life and sometimes into the next generation, nor the wider social and economic costs.

While the estimated total cost remains unchanged, our latest analysis shows that its profile has changed. For example, we now estimate that a fiscal cost of £5.2 billion is associated with cases of domestic violence and abuse, driven by a 6 per cent increase in recorded cases. However, the cost of criminal justice for children and young people is lower, driven by reductions in the youth justice system caseload and the number of recorded incidents of anti-social behaviour. Better economic conditions and lower unemployment rates have in part led to an estimated £1 billion reduction in the amount spent on benefits for young people who are not in education, employment or training (NEETs).

Not *all* expenditure on late intervention can be prevented. For some children and young people, periods in residential care or receiving specialist treatment for acute mental health problems will be the best solution available. But many of these children and young people might have had a different journey if they and their families had received effective help at an earlier time.

¹ See: <http://www.eif.org.uk/publication/spending-on-late-intervention-how-we-can-do-better-for-less/>.

This report also examines where the cost late intervention currently falls. The £17 billion is spread across different public agencies at national and local level, from local authorities, the NHS, schools, welfare, police to the criminal justice system. Local authorities bear the largest share at £6.4 billion, followed by the NHS with £3.7 billion and the Department for Work and Pensions with £2.7 billion.

The amount spent on late intervention varies significantly across England and Wales. Using spend per person in each local authority as a basis for comparison, we find that this is £298 on average but can be as low as £164 or as high as £531, with higher levels of late intervention spending more likely to be found in areas with higher levels of deprivation. Rural areas are more likely to show lower levels of both late intervention spend and deprivation, while urban areas are more likely to show higher levels of both.

While we do not think that the demand for late intervention spend can ever be brought down to zero, nor should it be, this data shows that there is more work to do to provide effective early intervention to children and families who need it. We hope this analysis will prompt renewed discussions at local and national level about how agencies can work together to limit demand for high-cost, statutory responses by moving resources upstream, spotting early signs of risk in children and families, and providing effective support where and when it is needed.

If we are serious about tackling injustice and increasing social mobility for children and families, investment in effective early intervention should be targeted in particular on service areas where spending on late intervention is high. In some local areas, this analysis is catalysing a more preventative approach to commissioning services through increased local pooling of resources across agencies, integration of services and improved joint action that can result from a hard local analysis of these numbers.

Since our last report, EIF has published three major evidence reviews on key aspects of early intervention:

- *What Works to Support the Interparental Relationship and Improve Child Outcomes*² looked at a range of interventions which aim to reduce conflict and improve communication to support the co-parenting relationship and through that child outcomes.

² See <http://www.eif.org.uk/publication/what-works-to-enhance-inter-parental-relationships-and-improve-outcomes-for-children-3/>.

- *Foundations for Life: What Works to Support Parent Child Interaction in the Early Years*³ assessed the strength of evidence of impact of 75 programmes to support the interaction between parents and children in the earliest years of life.
- *Social and Emotional Learning: Skills for life and work*⁴ looked at over 100 interventions to support skills for work and life for school-aged children.

As part of this work, we have examined the effectiveness and costs of early intervention approaches. Our reviews have shown that there are effective early intervention approaches available, which, if implemented well and targeted effectively, can improve the wellbeing, opportunities and life-chances of children and young people. In so doing, effective and timely early intervention can also free up space in the system, reducing the demand that we know is putting services under pressure. This illustrates the win-win that EIF is working towards: improved lives for children and young people, and a better deal for the economy, public services and the taxpayer.

Carey Oppenheim
Chief Executive, Early Intervention Foundation

³ See <http://www.eif.org.uk/publication/foundations-for-life-what-works-to-support-parent-child-interaction-in-the-early-years/>.

⁴ See <http://www.eif.org.uk/publication/social-and-emotional-learning-skills-for-life-and-work/>.

Summary

Headlines

Nearly £17 billion per year – equivalent to £287 per person – is spent in England and Wales by the state on the cost of late intervention. This is in line with EIF’s previous estimate, which was also just under £17 billion.

While the estimated total is as before, our latest analysis shows that the profile has changed. For example, expenditure related to domestic violence and abuse has risen, while spending on late intervention for young people not employment, education or training has fallen. There are other changes driven by movements in the underlying data or improvements to our own methodology.

Aims

- The *Cost of Late Intervention: EIF Analysis 2016* calculates how much the public sector in England and Wales spends on late intervention for children and young people, responding to the more severe problems that they experience. It updates our previous analysis from 2015.
- Knowing how much is spent on late intervention is useful because it also illustrates a *potential* ‘fiscal prize’ from early intervention – although we do not argue that *all* of the demand for late intervention can be prevented.
- Our analysis also provides transparency at a local and national level about how much is spent and by which departments or agencies. This can help stimulate co-operation and new approaches to tackle the demand for late intervention.

Definitions and methodology

- We use ‘late intervention’ as an umbrella term for a range of acute or statutory services that are required when children and young people experience significant difficulties in life, as well other support they may draw upon such as welfare benefits.
- Our analysis estimates the short-run annual cost to the taxpayer of late intervention for England and Wales. It does not capture longer-term cumulative costs which will be considerably larger; it also does not capture wider cost to individuals and society.
- We estimate how much is spent each year in England and Wales on dealing with the following issues:
 - Crime and anti-social behaviour
 - School absence and exclusion
 - Children’s social care
 - Child injuries and mental health problems
 - Youth substance misuse
 - Youth economic inactivity

- Our headline analysis presents the total cost across all of these issues in England and Wales as a whole. Supplementary analysis breaks down the total costs by area of government spending, and by English local authority.

Findings

- Nearly £17 billion per year is spent in England and Wales by the state on the cost of late intervention – in line with EIF’s previous estimate.⁵ This works out at around £287 per person.
- The largest individual costs are:
 - £5.3 billion spent on Looked After Children
 - £5.2 billion associated with cases of domestic violence and abuse
 - £2.7 billion spent on benefits for young people who are not in education, employment or training (NEET)
- The cost of late intervention is spread across different areas of the public sector, with the largest shares are borne by:
 - local authorities (£6.4 billion)
 - the NHS (£3.7 billion)
 - DWP (£2.7 billion)
- Our estimate of the cost of domestic violence and abuse is significantly higher than before, driven mainly by a 6% increase in the number of recorded cases. However, the cost of criminal justice for children and young people is lower, driven by reductions in the youth justice system caseload and the number of recorded incidents of anti-social behaviour.
- In education, the total costs of persistent absenteeism and permanent exclusions are both higher than last year’s estimate.
- Our estimate of the cost of benefits for young people who are NEET has fallen by approximately £1 billion since last year. This partly reflects employment growth and more favourable economic circumstances: the number of 18-24 year-olds who are NEET has fallen by 6%. It also reflects a methodological revision to the estimated unit fiscal cost of each individual who is NEET.
- The amount spent on late intervention varies significantly across the country. Using spend per person in each local authority as a basis for comparison, we find that this is £298 on average but can be as low as £164 or as high as £531.
- Using heat maps, we are able to show that the amount of money spent in a local authority on late intervention is, to some extent, linked to the level of deprivation in that area. There is also an urban/rural split: rural areas are more likely to show lower levels of both late intervention spend and deprivation, while urban areas are more likely to show higher levels of both.

⁵ See <http://www.eif.org.uk/publication/spending-on-late-intervention-how-we-can-do-better-for-less/>.

While the total estimate is broadly unchanged, individual elements have changed due to revisions in methodology and changes in the underlying data.

Introduction

This report updates EIF's previous analysis, published in 2015, of the fiscal cost of late intervention. More specifically, we estimate how much is spent each year on the following sets of issues:

- Crime and anti-social behaviour
- School absence and exclusion
- Children's social care
- Child injuries and mental health problems
- Youth substance misuse
- Youth economic inactivity

Knowing what is spent on late intervention is useful because it illustrates a *potential* 'fiscal prize' from early intervention: if children at risk can be helped early on so that their needs do not become entrenched, then they are less likely to require statutory intervention or acute services later on – freeing up resources and reducing pressure on the system. While the services themselves are valuable and important, and it is neither desirable nor possible to completely eliminate the demand for them, the current pressures on public spending mean that it is important to manage the demand on these services as far as possible.

All of figures presented here are only the short-run annual cost, not a projected cost cumulated over years or decades. As such, they are extremely conservative estimates. However, expressing the current costs of late intervention in this form makes it more comparable to the current costs of early intervention.

As in our previous analysis, our analysis relates to England and Wales only. This is because of a lack of comparable data in other regions of the UK. Further analysis in this report examines which agencies at national and local level carry those costs, and how the cost of late intervention varies across local areas in England.

Methods and data sources

Our general approach for arriving at the annual fiscal cost of each of the issues above is to take total demand or caseloads for acute services or other late intervention – obtained from published statistics – and combine that with an estimated 'unit cost' of each case that provision. This has the advantage of being directly linked to what we know about demand for services for children and young people. Information on unit costs tends to be available at a national level only, even though the true unit cost may vary from one local area to another. Therefore, where it would lead to more robust results, we have also used published data on actual

local authority spend on particular acute services. Table 1 outlines information sources used each issue.⁶

TABLE 1. WHAT INFORMATION DOES THE EIF ESTIMATE OF LATE INTERVENTION SPEND TAKE INTO ACCOUNT?

Issue	Information used to calculate estimated fiscal cost
Crime and anti-social behaviour	<ul style="list-style-type: none"> • Reported cases of domestic violence and abuse • Reported anti-social behaviour incidents • Young people in the Youth Justice System (YJS)
School absence and exclusion	<ul style="list-style-type: none"> • Number of persistent absentees • Number of permanent school exclusions • Annual spending on Pupil Referral Units
Children's social care	<ul style="list-style-type: none"> • Annual spending on Looked After Children • Number of Child Protection Plans • Number of Children in Need⁷
Child injuries and mental health problems	<ul style="list-style-type: none"> • Children admitted to hospital due to injuries • Children admitted to hospital due to mental health • Children admitted to hospital due to self-harm
Youth substance misuse	<ul style="list-style-type: none"> • Young people admitted to hospital due to substance misuse • Children using specialist substance misuse treatment services • Children admitted to hospital due to alcohol
Youth economic inactivity	<ul style="list-style-type: none"> • 16-17 year-olds who are NEET⁸ • 18-24 year-olds who are NEET

It is important to note certain limitations of this analysis.

- Judgements have been made about which items to include in the analysis. Table 1 is not a list every activity that counts as late intervention, and the items in the table add up to the true amount of total spending on late intervention. A better way to think about Table 1 is that it outlines key adverse outcomes or types of late intervention for which national and local data on caseloads are available, along with information on total spend or unit costs.
- The items in Table 1 provide information about *services* not *children*. Hence the data we have used will reflect local and national decisions about the availability, referral and resourcing of acute services, as well as the broader fiscal climate. Because these data can reflect other factors, they alone cannot be used to make statements about the underlying *need* for late intervention or the underlying *well-being* of the children and families.

⁶ More detail on the costing methodology is available in a separate technical report. See <http://www.eif.org.uk/publication/the-cost-of-late-intervention-eif-analysis-2016>

⁷ Excluding cases where the need is classified as child or parental disability.

⁸ Not in education, employment or training.

Analysis: The cost of late intervention

Table 2 shows the scale of each issue across England and Wales as a whole, along with our estimate of the associated late intervention cost. These figures are based on the latest available year (rather than one specific year), which varies for each cost item.

TABLE 2. COSTS OF LATE INTERVENTION BY COST ITEM, ENGLAND AND WALES ONLY (£M, 2016–17 PRICES)

Cost item	Recorded cases	Annual spend (£m, 2016–17 prices)
Domestic violence and abuse cases	943,628	£5,230
Anti-social behaviour incidents	1,925,952	£701
Young people in the YJS	37,946	£342
Persistent absentees	256,632	£484
Permanent school exclusions	5,029	£442
Looked After Children	75,150	£5,309
Child Protection Plans	52,624	£294
Children in Need	355,328	£578
Child injury hospital admissions	114,475	£309
Child mental health hospital admissions	1,982,660	£433
Child self-harm hospital admissions	10,240	£32
Youth substance misuse hospital admissions	14,386	£8
Children in specialist substance misuse services	19,130	£411
Child alcohol hospital admissions	24,159	£24
16-17 year-olds who are NEET	13,736	£27
18-24 year-olds who are NEET	42,940	£2,640
Total		£16,584⁹

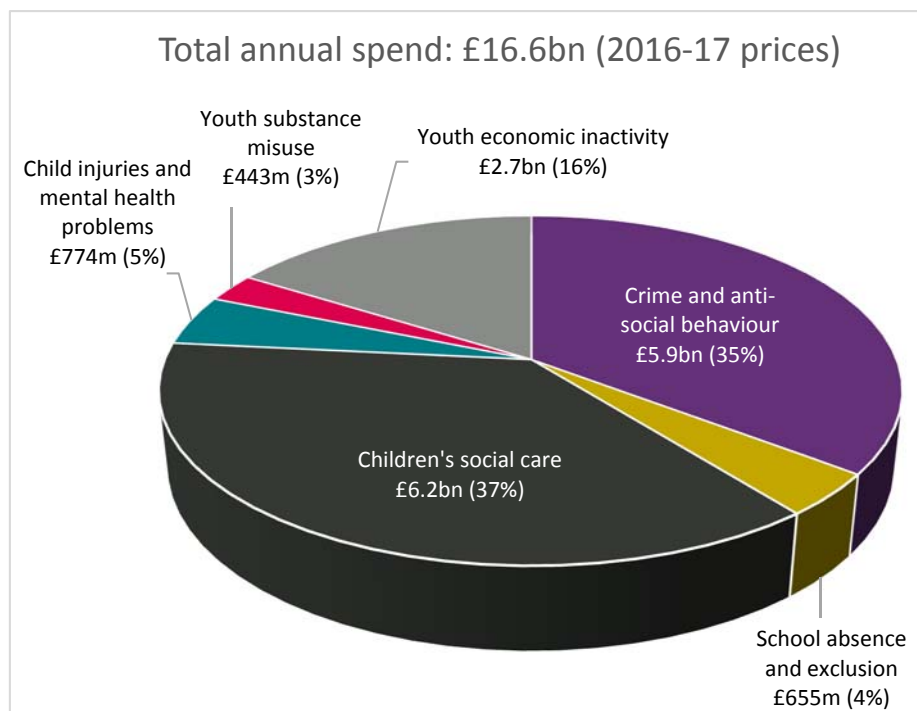
⁹ Note that the total presented here does not equal the sum of the constituent costs. This is because some cost items overlap – for example, one part of the cost of domestic violence and abuse is an associated cost of children’s social care services, which is included elsewhere in the analysis. This overlap is therefore subtracted from the total in order to avoid double counting.

Overall, we estimate that £16.6 billion is spent by the public sector on the costs of late intervention. This works out to around £287 per person in England and Wales. The largest individual costs are:

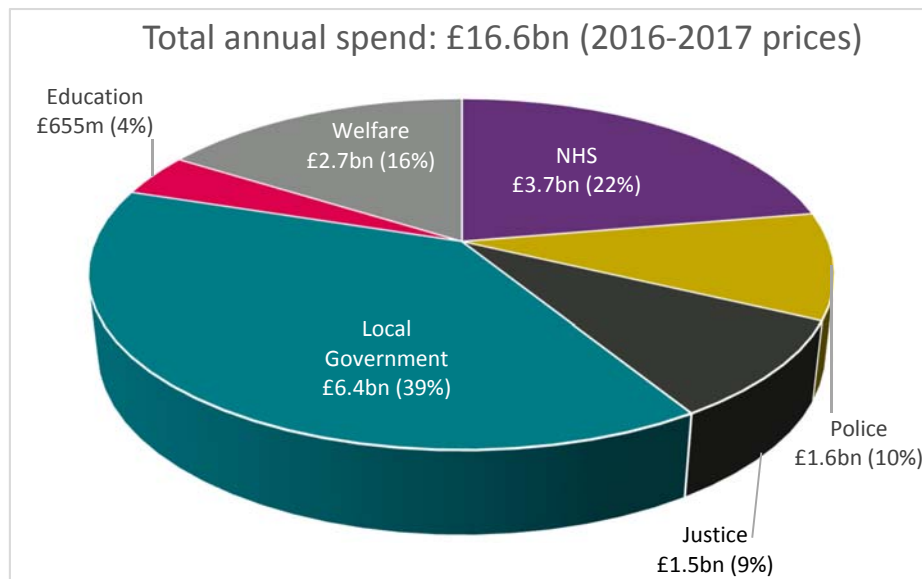
- £5.3 billion spent on Looked After Children
- £5.2 billion associated with cases of domestic violence and abuse
- £2.6 billion spent on benefits for 18-24 year-olds who are not in education, employment or training (NEET)

Figure 1 provides a higher level summary by aggregating the cost items under broader headings reflecting a particular theme. This reveals that late intervention associated with crime and anti-social behaviour accounts for just over a third of the total amount, as does spending in the area of children's social care.

FIGURE 1. LATE INTERVENTION SPEND ON EACH SOCIAL ISSUE



Given the range of services involved, it is clear that the costs of late intervention will fall across different parts of the public sector. Figure 2 sheds light on this by splitting up the £16.6 billion according to the spending department or government agency that bears the cost.

FIGURE 2. LATE INTERVENTION SPEND BY BUDGET AREA

The local government share is the largest, reflecting the costs of children's social care, most notably the £5.3 billion per year spent on Looked After Children. The local government share also includes a small share of the costs of domestic violence and abuse and managing young offenders. To explore this in more detail, Table 3 overleaf breaks down the £16.6 billion both by cost item *and* budget area simultaneously. Looking at the first line the table reveals that the total estimated fiscal cost of domestic violence and abuse (£5.2 billion per year) is comprised of:

- £2.5 billion incurred by the NHS
- £879 million incurred by the police
- £1.2 billion incurred by the criminal justice system
- £642 million incurred by local authorities

Taking another example, the total fiscal cost of dealing with persistent absenteeism in schools (£484 million per year) is comprised of:

- £17 million incurred by the NHS
- £68 million incurred the police
- £68 million incurred the criminal justice system
- £105 million incurred by local authorities
- £226 million incurred by the education system

TABLE 3. LATE INTERVENTION COSTS BY COST ITEM AND BUDGET AREA (£M, 2016-17 PRICES)

	NHS	Police	Justice	Local Government	Education	Welfare	Total
Domestic violence and abuse cases	2,479	879	1,230	642	-	-	5,230
Anti-social behaviour incidents	-	701	-	-	-	-	701
Young people in the YJS	1	44	280	17	-	-	342
Persistent absentees	17	68	68	105	226	-	484
Permanent school exclusions	-	3	3	6	429	-	442
Looked After Children	-	-	-	5,309	-	-	5,309
Child Protection Plans	-	-	-	294	-	-	294
Children in Need	-	-	-	578	-	-	578
Child injury hospital admissions	309	-	-	-	-	-	309
Child mental health hospital admissions	433	-	-	-	-	-	433
Child self-harm hospital admissions	32	-	-	-	-	-	32
Youth substance misuse hospital admissions	8	-	-	-	-	-	8
Children in specialist substance misuse services	411	-	-	-	-	-	411
Child alcohol hospital admissions	24	-	-	-	-	-	24
16-18 year-olds who are NEET	-	-	-	-	-	27	27
18-24 year-olds who are NEET	-	-	-	-	-	2,640	2,640
<i>Less double-counting of costs</i>	-17	-71	-71	-520	-	-	-679
Net total	3,697	1,624	1,510	6,431	655	2,667	16,584

Note: Numbers do not add up exactly due to rounding. See separate technical report for full explanation of methods, calculations and treatment of double-counting – available at <http://www.eif.org.uk/publication/the-cost-of-late-intervention-eif-analysis-2016>

How has our estimate changed since last year?

Our total national estimate of spending on late intervention remains broadly unchanged from last year – approximately £17 billion per year. However, there have been changes for the individual items that make up this cost, meaning that the profile of the total amount has changed.¹⁰

These changes have occurred for a range of reasons:

- A change in the number of cases recorded for a particular item
- A change in the estimated unit cost for that item
- Improvements to our methodology.¹¹

The supplementary technical report explains in full how each individual cost item was calculated, which data was used, and how this year's calculation differs from last year's in cases where the available data has changed or the methodology has been improved.

Note that our estimate of the cost of benefits for 18-24 year-olds who are NEET has fallen by approximately £1 billion since last year. This partly reflects more favourable economic circumstances and employment growth, with the number of 18-24 year old NEETs 6% lower than in our 2015 analysis. Our estimate also reflects a revision in the estimated welfare benefit cost of an 18-24 year-old who is NEET, based on the latest version of the New Economy Manchester Unit Cost Database.

Table 1 shows how the individual estimated cost items have changed since the previous analysis. For each cost item, it shows what happened to the number of cases recorded, and how the estimated unit cost has changed. Our new estimate of the cost of domestic violence and abuse is significantly higher than before, driven mainly by a 6% increase in the number of recorded cases.¹² However the latest data also show noticeable falls in the number of youth justice system caseloads recorded incidents of anti-social behaviour.

While there has been a 20% fall in the number of pupils recorded as persistently absent from school, the total cost of this has increased due to increases in the estimated unit cost. Meanwhile the number of permanently excluded children has increased, as has spending on Pupil Referral Units.

Looking at children's social care, caseloads have generally risen slightly since last year, and the estimated unit cost for a Looked After Child has also increased.

¹⁰ We note that our estimate is broadly unchanged from last year in cash terms. Taking into account inflation since 2014–5, it is equivalent to a real-terms reduction of 1.4%.

¹¹ Changes to our methodology can reflect the following: some data sources no longer being available; some new data sources available, feedback from the consultation on the previous report, and updated advice in the New Economy Manchester unit costing database.

¹² The methodology for this has also been revised slightly – see separate technical report for more details.

Note that our estimate of the cost of benefits for 18-24 year-olds who are NEET has fallen by approximately £1 billion since last year. This partly reflects more favourable economic circumstances and employment growth, with the number of 18-24 year old NEETs 6% lower than in our 2015 analysis. Our estimate also reflects a revision in the estimated welfare benefit cost of an 18-24 year- old who is NEET, based on the latest version of the New Economy Manchester Unit Cost Database.¹³

TABLE 1. CHANGE IN ESTIMATED COST OF EACH ITEM OF LATE INTERVENTION

Cost item	EIF 2015 estimate (£m, 2014–15 prices)	EIF 2016 estimate (£m, 2016–17 prices)	Change in number of cases	Change in estimate of unit cost
Domestic violence and abuse cases	£4,060	£5,230	+6%	N/A
Anti-social behaviour incidents	£960	£701	-28.9%	+3.1%
Young people in the YJS	£474	£342	-28.5%	+1.1%
Persistent absentees	£420	£484	-19.8%	+43.1%
Permanent school exclusions	£450	£442	+6.2%	+105.1%
Looked After Children	£5,150	£5,309	+3.2%	+8.8%
Child Protection Plans	£280	£294	+2.3%	+1.1%
Children in Need	£570	£578	-0.5%	+1.1%
Child injury hospital admissions	£140	£309	+7.8%	-4.7%
Child mental health hospital admissions	£440	£433	-2.2%	+1.4%
Child self-harm hospital admissions	£40	£32	-18.0%	+6.0%
Youth substance misuse hospital admissions	£3	£8	+200.8%	-11.8%
Children in specialist substance misuse services	£440	£411	+4.7%	-10.7%
Child alcohol hospital admissions	£9	£24	+170.6%	+1.1%
16-18 year old NEETs	£30	£27	-11.7%	+9.6%
18-24 year old NEETs	£3,690	£2,640	-6.1%	-23.7%

Note: See separate technical report for full details of methods and data for each cost item, including changes in data and methodology where appropriate – available at <http://www.eif.org.uk/publication/the-cost-of-late-intervention-eif-analysis-2016>. Where unit costs have increased by 1.1%, this reflects inflation between 2014–15 and 2016–17.

¹³ Source: <http://neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>

How does spending on late intervention vary across England?

In this section we compare how much is spent on late intervention in different local areas.¹⁴ Since total late intervention spend in a local area will be influenced by population size, we focus here on late intervention spend per head of population as a basis for comparison.

Below, in Figure 3, we examine how late intervention spend per person varies across English local authorities. We focus on England because the same analysis is not possible for Welsh local authorities: much of the data we use is only available for Wales as a whole. Late intervention spend per person varies between a minimum of £164 and a maximum of £531. The 25th percentile is £248, meaning that in a quarter of local authorities late intervention spend per person is below that amount. The 75th percentile is £337, meaning that in a quarter of local authorities late intervention spend per person is above that amount.

FIGURE 3. LATE INTERVENTION SPEND PER PERSON (ENGLISH LOCAL AUTHORITIES)

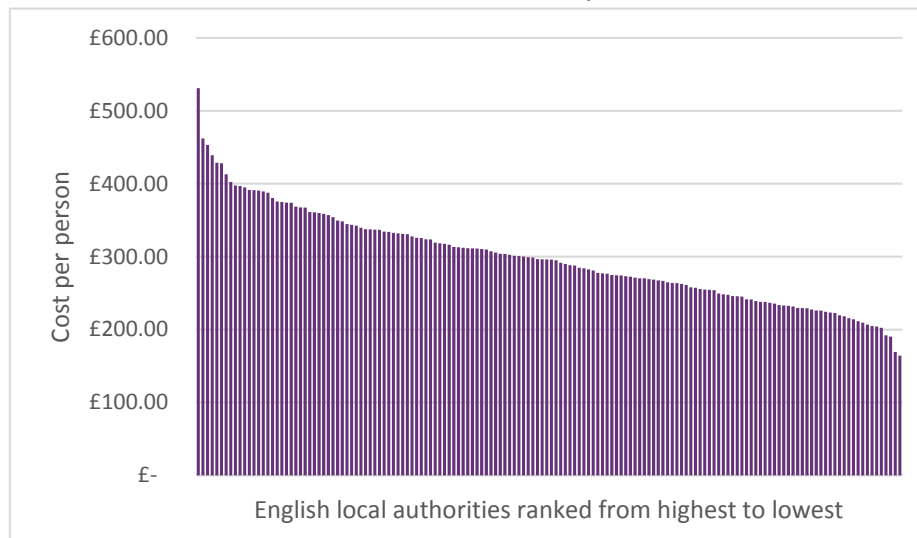


Figure 4, overleaf, plots this data on a heat map, with darker colours indicating higher levels of late intervention spend per person.¹⁵ By way of comparison, we also present alongside it a heat map of local deprivation, based on the latest Indices of Multiple Deprivation, with darker colours indicating higher levels of deprivation.¹⁶

Generally speaking, there is a tendency for the same local areas to appear in a darker colour on both maps. This confirms that the amount spent on late intervention per capita is, to some extent, linked to the level of deprivation in that area. There also appear to be some differences between urban and rural areas. Rural

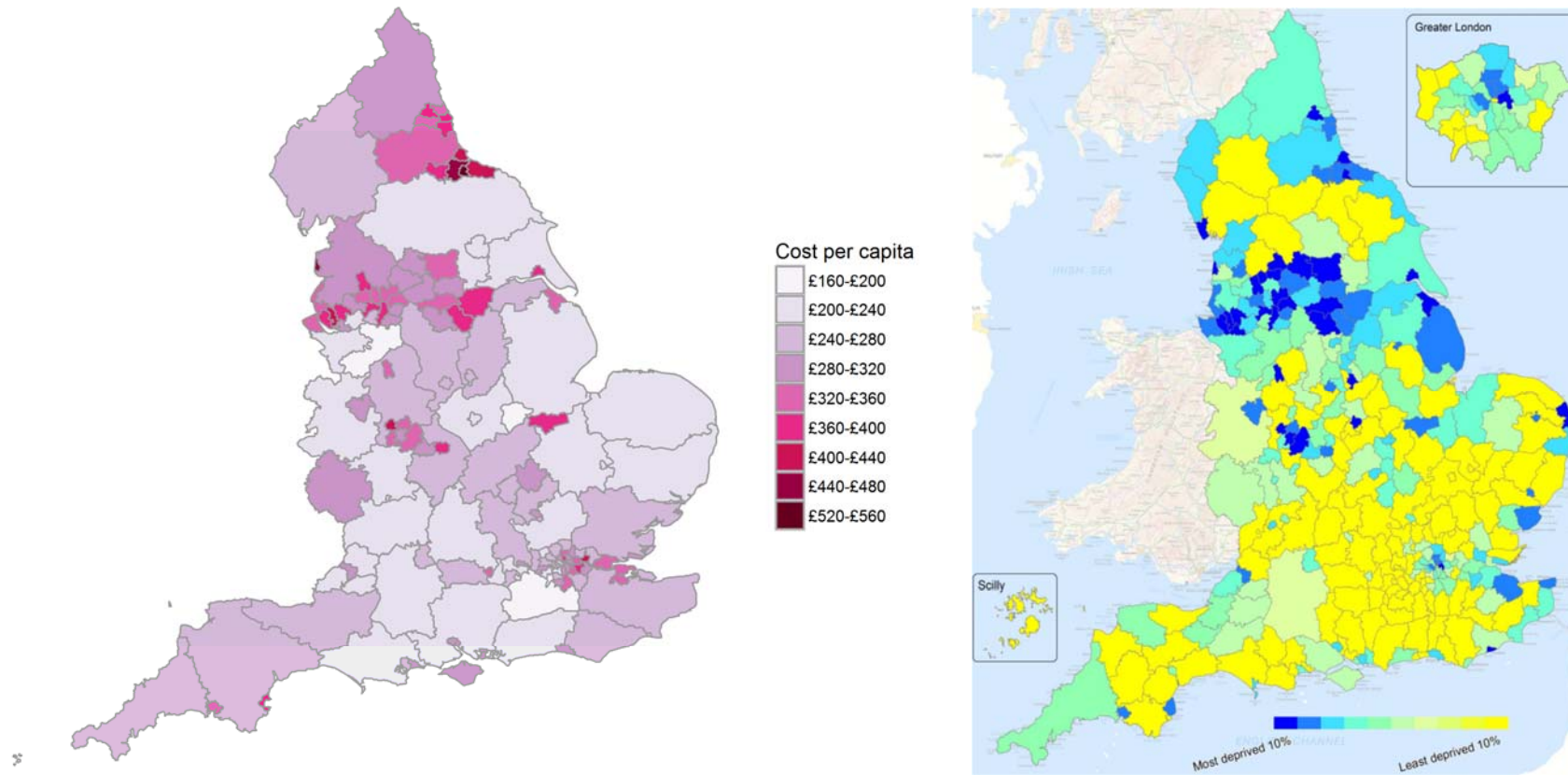
¹⁴ Note that most of the cost items in our analysis are based on a single estimated unit cost, whereas in practice unit costs may vary locally. If services and activities are provided more cheaply in one local authority compared to others, then that will not be captured by our analysis.

¹⁵ A separate heat map for London can be found in the Appendix.

¹⁶ Source: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

areas are more likely to show lower levels of both late intervention spend and deprivation, while urban areas are more likely to show higher levels of both.

FIGURE 4. HEAT MAPS OF LATE INTERVENTION SPEND PER PERSON AND LOCAL INDICES OF MULTIPLE DEPRIVATION



Source for late intervention heat map: authors' own calculations. Source for deprivation heat map: 'English indices of deprivation 2015' (<https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>)

Conclusion

Late intervention is costly: £17 billion or £287 per man, woman and child per year across England and Wales. This is only the fiscal cost, which ignores the impact on children, families and society at large. This underlines the need for effective, targeted early intervention to address the demand for late intervention.

The total amount of money we estimate was spent by local and national agencies to deal with severe problems for children and young people has not shifted overall. However, there are significant changes for some of the constituent cost items, meaning that the profile of late intervention has changed. We note, for example, that a significant increase in recorded cases of domestic violence and abuse and a significant reduction in the number of 18-24 year-olds who are NEET have altered the profile of our new estimate of the costs of late intervention. There are other changes that have occurred to the underlying data and figures, as well as improvements to our own methodology.

As with last year's report, we show how the cost of late intervention is spread across different parts of the public sector. The largest shares are borne by local authorities (£6.4 billion), the NHS (£3.7 billion) and DWP (£2.7 billion). This analysis answers the question of who currently pays for late intervention, which is relevant to debates on public spending as well as to local and national discussions about how to stimulate investment in early intervention and prevention. As spending on late intervention varies across different issues and local areas, investment in early intervention should also be targeted in similar ways.

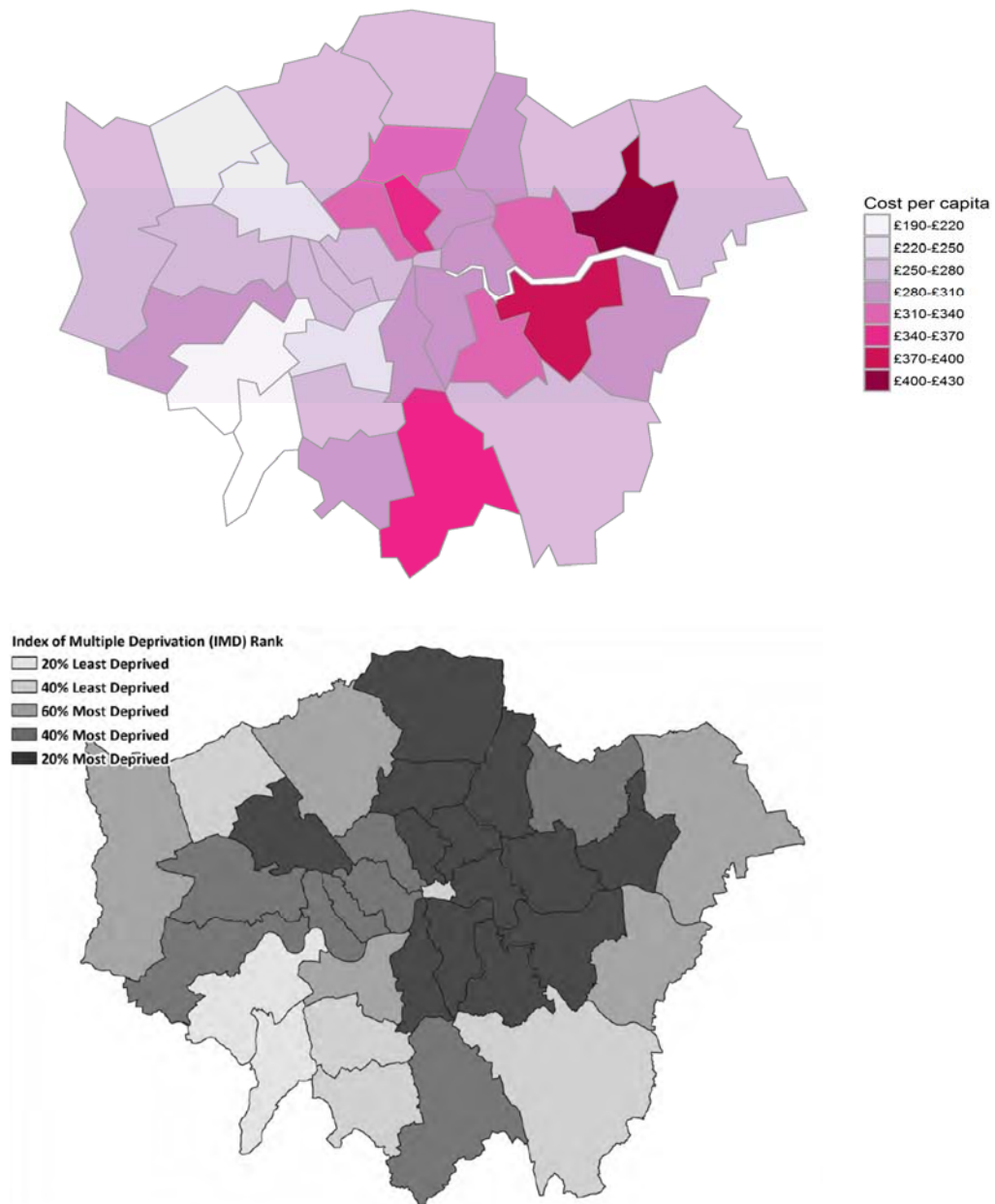
As a new feature for this year's report, we have also shown how late intervention spend (on a per-person basis) varies across local areas in England. There is significant variation across English local authorities, which appears to be linked to variation in local deprivation levels. This may not be surprising. The analysis also shows that rural areas are more likely to have lower levels of late intervention spend, while urban areas are more likely to have higher levels of both.

While we do not think that the demand for late intervention spend can ever be brought down to zero, nor should it be, this data shows that there is more work to do to provide effective early intervention to children and families who need it. We hope this analysis will prompt renewed discussions at local and national level about how agencies can work together to limit demand for high-cost, statutory responses by moving resources upstream, spotting early signs of risk in children and families, and providing effective support where and when it is needed.

APPENDIX

Figure shows a heat map of late intervention spend for London, and below it a corresponding heat map for the index of Multiple Deprivation.

Figure A.1. Heat maps of late intervention spending per person in London



Source for late intervention heat map: authors' own calculations. Source for deprivation heat map: *City of London Resident Population – Deprivation Index 2015* (<https://www.cityoflondon.gov.uk/services/environment-and-planning/planning/development-and-population-information/Documents/deprivation-index-2015.pdf>)