The Scottish Government states that the aim of its economic strategy “is not only to offer greater protection to the economy during periods of economic uncertainty, but to bring about a long-term, or structural, change in Scotland’s sustainable growth rate”.

**What spending decisions support such structural change in the long term?**

1. WAVE believes (and is happy to produce evidence to support this view if requested) that targeted spending on Early Years which improves the social, emotional and language development of children would make a significant long-term contribution to a positive, structural change in Scotland’s sustainable growth rate.

2. As an example of the mechanisms whereby this would take place, reduced levels of child maltreatment and improved attunement between parents and babies during the first year of children’s lives would contribute to higher levels of secure attachment in children and lower levels of insecure and disorganised attachment.

3. Secure children and adults are resilient, are able to regulate their emotions, experience empathy, and they are more able to self-repair when stressed or challenged. Secure attachment relationships, although not a guarantee of future mental health, provide a protective factor, enabling children to develop ways to cope with such adversity as loss and trauma.

4. Insecurely attached babies are more vulnerable and they and their families need help. Without help, insecurely attached children begin to soak up statutory resources from an early age through such ‘externalising’ and ‘internalising’ behaviours as aggression, non-compliance, negativity and immaturity, compulsive compliance and pervasive low self-esteem.

5. Various studies following up infants with disorganised attachment have found elevated risks of aggressive behaviours, mental disorders, school behaviour problems and other psychopathologies.

6. Higher levels of children with secure attachment contribute to levels of pro-social behaviour in the community and a flow of children towards the future workforce better suited to economic contribution and less likely to generate costs which act as a drag upon the economy.

7. As another example, James Heckman has described the critical importance of soft skills such as emotional self-regulation, sociability, resilience, perseverance in subsequent successful educational and career performance. These soft skills are largely developed as a result of the nature and quality of interactions within the family before children reach pre-school. Research at the University of Mannheim has
shown that differences in abilities are detectable in children as early as three months and widen steadily thereafter until 11 years of age. Other research (e.g. at Universities of Oxford and Cambridge) shows a similar picture.

8. In terms of the specific spending decisions which would support structural change please see answer to the next sub-point.

**What spending priorities should be in the draft budget 2013-14?**

9. WAVE Trust has been working since December 2011 with a team of academic and practitioner experts, the UK Department for Education and UK Department of Health to identify desirable policies affecting children from conception to age 2, to produce the optimum outcomes for children’s social and emotional development and physical health. A report summarising these findings will be published in September. We believe the key recommendations for action arising from this study could provide valuable input to spending priorities in the draft budget for 2013-14 and also for the evolving thinking of the Early Years’ Taskforce. Amongst recommendations are specific universal risk assessments in pregnancy (by midwives) and at 3-5 months (by health visitors); and a targeted risk assessment at 12-15 months. Support would be provided for parents at each stage appropriate to their, or their children’s, needs. We would be happy to provide further information on request.

In its Scottish Spending Review 2011 and Draft Budget 2012-13 the Scottish Government states that the Finance, Employment and Sustainable Growth portfolio “contributes towards ensuring that we achieve balanced economic growth that provides the most disadvantaged in society with the opportunity to prosper. Equity, whether it be social, regional or inter-generational or a combination of these factors, is also seen as a key driver of economic growth.”

**What progress has been made in achieving these objectives?**

10. The commitment of the Scottish Government to drive a decisive shift towards prevention is warmly welcomed. Scotland is taking a leadership role within the United Kingdom on this issue, with cross-party support from within the Finance Committee.

11. At this point in time progress is largely visible through statements of intent. It is important that these courageous statements are followed through with real change on the ground. This means both commitment of meaningful sums of money and leadership to ensure that local authorities and local health boards also make ‘a decisive shift towards prevention’.

12. We are currently cautiously optimistic about the prospects for leadership and its influence on local areas. We are not convinced that the Government appreciates the level of spending which would make a decisive change at local level. As a point of comparison WAVE is currently involved in discussions with the Big Lottery in England which could result in a small number of local areas in England (typical size
50,000 population each) receiving £40m each to implement a committed policy of primary prevention. It is anticipated that these investments would produce savings to the public purse which justify the initial costs. Again, we would be happy to provide further information on request.

**What spending priorities should be in the draft budget 2013-14?**

13. We would like to see the Scottish Government making a similar commitment to that being considered by the Big Lottery in England for a number of pilot areas in Scotland to implement ‘a decisive shift towards (primary) prevention’. Perhaps the support of the Big Lottery in Scotland could be engaged? In addition, expert support would be provided to the pilot areas to help them design the optimum primary prevention strategy. WAVE has created a ‘gold standard’ design for such a primary prevention strategy at local area level.

In its response to the Finance Committee’s report on the spending review 2011 the Scottish Government stated that its broader work was “focused on ensuring that our ambitions for a decisive shift to preventative spend are realised across all areas of service delivery.”

**What progress is the Scottish Government making in realising this objective?**

14. As stated above in answer to question 4, ‘At this point in time progress is largely visible through statements of intent. It is important that these courageous statements are followed through with real change on the ground. This means both commitment of meaningful sums of money and leadership to ensure that local authorities and local health boards also make ‘a decisive shift towards prevention’.’

**What spending priorities should be in the draft budget 2013-14?**

15. See answer to question 4.