Making use of cost estimations to inform commissioning: the costs and outcomes research programme at the Centre for Child and Family Research, Loughborough University

This item was submitted to Loughborough University's Institutional Repository by the/an author.


Additional Information:

- This is a presentation from the Partnership Learning Day, 2 July 2014.

Metadata Record: https://dspace.lboro.ac.uk/2134/15704

Version: Published

Publisher: Loughborough University

Rights: This work is made available according to the conditions of the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0) licence. Full details of this licence are available at: https://creativecommons.org/licenses/by-nc-nd/4.0/

Please cite the published version.
Making use of cost estimations to inform commissioning

The costs and outcomes research programme at the Centre for Child and Family Research, Loughborough University

Samantha McDermid
Helen Trivedi

Partnership Learning Day, 2nd July 2014
The costs and outcomes programme

- Initial study on costs and consequences of placements for looked after children
  ↓
- Methodology for calculating costs incurred to social services of care episodes
  ↓
- Development, pilot and production of a Cost Calculator for Children’s Services
  ↓
- Ongoing and expanding research programme
Calculates costs from the “bottom up”

The child or family is the starting point

Links to unit costs of case management activity organised into ‘processes’, with service provision

Modeling unit costs using routinely collected child level data to estimate costs of support overtime

Identifies cost variations for different types of children and different service pathways

With the objective of relating costs to outcomes

Introduces transparency and consistency into cost estimations

Identifying the best possible use for limited resources
Conceptual underpinning

Separation between

- ‘Services’
  - Placement, therapeutic interventions, groups
- ‘Case management activity’
  - Assessments, finding services, statutory visits, reviews
  - Activities are organised into processes
Social Care Processes for Looked After Children

1. Decide child needs to be looked after (including activity for finding initial placement)
2. Care planning
3. Maintaining the placement
4. Leaving care/return home
5. Find a subsequent placement
6. Review
7. Legal processes
8. Transition to leaving care services
Social care activity: worked example

Process 6 Review: Staff Salary costs

Pay scale midpoint (includes on costs) £39,944.87
+ 45% for overheads £17,975.19
+ Capital overheads £1943

£59,863.06

42 weeks per year 1425.31
37 hours per week 38.52

Hourly rate for Social Worker = £38.52
Social care activity: worked example

Process 6 Review: social worker

- Consultation with child or young person prior to review
- Consultation with parents prior to review
- Consultation with carer prior to review
- Organising room booking
- Completion of social worker report
- Duration of review

- Fact finding/liaising within and outside of social services
- Visits or discussions with carers/potential placement
- After review – distribution of review form
- Actions resulting from review
- Case files and LAC/ICS paperwork
### Social care activity: worked example

#### Process 6 Review: Standard case

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
<th>Hourly rate</th>
<th>Unit cost per worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Worker</td>
<td>5 ¼ hours</td>
<td>38.52</td>
<td>202.23</td>
</tr>
<tr>
<td>Admin</td>
<td>1 hours</td>
<td>21.21</td>
<td>21.21</td>
</tr>
<tr>
<td>Team Manager</td>
<td>1 ½ hours</td>
<td>48.36</td>
<td>72.54</td>
</tr>
<tr>
<td>Fostering Team social worker</td>
<td>2 hours</td>
<td>38.52</td>
<td>77.04</td>
</tr>
<tr>
<td>Independent reviewing officer</td>
<td>5 ¾ hours</td>
<td>44.00</td>
<td>253.89</td>
</tr>
</tbody>
</table>

Unit cost Review (standard case) = £626.91
### Social care activity: worked example

#### Process 6 Review: Variations

<table>
<thead>
<tr>
<th>Variation</th>
<th>Additional activity</th>
<th>Additional cost</th>
<th>New unit cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard case</td>
<td></td>
<td></td>
<td>£626.91</td>
</tr>
<tr>
<td>First leaving Care Review</td>
<td>PLUS 5 ¼ hours</td>
<td>404.46</td>
<td>£1031.37</td>
</tr>
<tr>
<td>Unaccompanied Asylum seeking Children</td>
<td>PLUS 10 ½ for Translator</td>
<td>327.82</td>
<td>£954.73</td>
</tr>
<tr>
<td>Children in placements other than foster care</td>
<td>MINUS 2 hours for foster team</td>
<td>-77.04</td>
<td>£549.87</td>
</tr>
</tbody>
</table>
## Unit costs (foster care, outside London) (financial year 2011-12)

<table>
<thead>
<tr>
<th>Process</th>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process 1</td>
<td>Decide child needs to be looked after and find a first placement</td>
<td>£ 985</td>
</tr>
<tr>
<td>Process 2</td>
<td>Care planning</td>
<td>£ 243</td>
</tr>
<tr>
<td>Process 3</td>
<td>Maintaining the placement (per month)</td>
<td>£ 2,245</td>
</tr>
<tr>
<td></td>
<td>Social care support</td>
<td>£ 1,575</td>
</tr>
<tr>
<td></td>
<td>Allowance to carer (child aged 0-4)</td>
<td>£ 685</td>
</tr>
<tr>
<td>Process 4</td>
<td>Exit from care/ accommodation</td>
<td>£ 420</td>
</tr>
<tr>
<td>Process 5</td>
<td>Finding a subsequent placement</td>
<td>£ 314</td>
</tr>
<tr>
<td>Process 6</td>
<td>Review</td>
<td>£ 627</td>
</tr>
<tr>
<td>Process 7</td>
<td>Legal processes</td>
<td>£ 4,242</td>
</tr>
<tr>
<td>Process 8</td>
<td>Transition to leaving care services</td>
<td>£ 1,870</td>
</tr>
</tbody>
</table>

‘Top down’ vs ‘bottom up’

• ‘Top down’ costs are:
  ~ Difficult to weight by need
  ~ Difficult to relate to outcomes
  ~ Difficult to compare easily with other costs

• ‘Bottom up’ costs:
  ~ Relate to specific children
  ~ Can be varied by need
  ~ Provide evidence of the impact of system changes
Bottom up costs methodology

Any questions?
The ‘Babies’ Study

- Prospective longitudinal study
- Sample of 43 babies traced from birth (or pre-birth) until they were three years old
- 37 traced until they were five
- All babies were identified as suffering, or likely to suffer, significant harm before their first birthday
- Trace the decisions that were made about their care and the impact these had on their subsequent experiences
- Coincidently, all the infants were born in the same year as baby Peter Connelly
The children at age three

- By age three the children who were traced (n=43) could be classified into three groups of roughly similar size
  - Living at home, no ongoing concerns (16:37%)
  - Living at home, ongoing concerns (12:28%)
  - Permanently separated from parents (15: 35%): two unsatisfactory placements, others showing signs of strain
The children at age five

- Over a third at continuing risk of harm
- Five children at high or severe risk of harm throughout their first five years
- Domestic violence remerged for 6 children between ages 3 and 5
- No new legal orders between ages 3 and 5 despite deteriorating circumstances
Costs applied to the Babies Study

- James and Madeleine
  - Identified pre-birth
  - High likelihood of suffering significant harm
  - Parental drug abuse, mental illness and domestic violence concern
  - Older siblings previously permanently separated from parents
- Their pathways and subsequent outcomes very different
Key decisions for Madeleine and James

**James**
- Pre-birth assessment
- CPP pre-birth to 1 month
- ICO and foster care 1 month
- Adoptive placement 1 year 1 month
- Adoption Order age 2 years

**Madeleine**
- Pre-birth assessment
- ICO and foster care from birth
- CO placement with parents 2 months
- SO 1 to 2 years
- Case closure 2 years
- Referral 2.9 years DV and drugs
- FSW 3 to 4 years – DV and drugs escalate
- Core assessment and s47 5 years
- CIN 5 years
- CPP 5.5 to 6 years neglect and sexual abuse
- ICO and foster care 6 years
Cumulative costs: Madeleine and James

- Madeleine
- James
Annual projected costs: Madeleine

<table>
<thead>
<tr>
<th>Age</th>
<th>Continuous foster care</th>
<th>Adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Projected cumulative costs: Madeleine

- Continuous foster care
- Adoption
Discussion

- Can understanding process costs inform decision making?
- How would you use data similar to this in your role?
- Can they be used alongside expenditure information and cashable savings?
- Can processes be carried out more effectively and/or efficiently?
- Can outcomes be improved?
False Economies: Introducing Transparency

- Understanding how costs are calculated and the various components of cost can assist in a more comprehensive cost analysis
- Costs of Multi-dimensional Treatment Foster Care
- Two groups of children and young people with matched needs
  - Group 1: in MTFC
  - Group 2: in ‘conventional placements’
- Included costs of
  - Placement
  - Case management activities
  - Other services
- Costs calculated prior to and following entry into MTFC as well as during
The costs of Multi-dimensional Treatment Foster Care

- Social care costs reduced by approximately 15% upon entry into MTFC
- Costs of alternative placements
  - £73,121  Annual cost of MTFC
  - £65,483  Agency foster care
  - £126,903  Agency residential
  - £161,548  Local authority residential
- Longer term costs (and outcomes)?
Costs of Evidence Based Programmes

Any questions?
THANK YOU

For further information please contact:

S.McDermid@lboro.ac.uk
or
H.L.Trivedi@lboro.ac.uk
or visit

http://www.lboro.ac.uk/research/ccfr/