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## **Comparing costs of multidimensional treatment foster care with those of other placements**

*Lisa Holmes and David Westlake*

**Key words:** unit costs, outcomes, multi-dimensional treatment foster care (MTFC)

### **Background**

Multidimensional Treatment Foster Care (MTFC) is a specialist model of foster care developed by Oregon Social Learning Center, USA. It is designed to provide a therapeutic environment that aims to address the needs of young people with emotional and behavioural difficulties.

After positive evaluations in the USA, which suggest that such a structured approach may produce better outcomes, twenty-one local authorities in England and Wales have implemented MTFC as part of a pilot of the programme.

The Department for Children, Schools and Families (DCSF) commissioned this study after concerns about the costs of MTFC have raised questions about the long-term sustainability of the programme

### **Purpose**

The aim of the project is to use a 'bottom up' methodology to calculate unit costs of MTFC. The work is part of a wider programme of work being undertaken at the Centre for Child and Family Research, Loughborough University to explore the costs and outcomes of different services accessed by vulnerable children.

The bottom up costing methodology allows detailed analysis of how costs are distributed between different aspects of the service, and also accounts for variations between authorities and according to the needs of the child. Calculating unit costs at this level of detail also allows for accurate comparison between interventions.

The needs of looked after children are diverse, and it is therefore essential that the costs of MTFC are compared with the costs incurred by children with similar needs who are in alternative placements. Previous research has shown that costs for these children, who have complex needs, are much higher than for children with no additional needs (Ward and Holmes 2008).

Consideration also needs to be made of how costs are spread over time. Although the start-up costs of MTFC are likely to be high, this may be balanced in the longer

term by lower placement fees, for example, in comparison with out of authority specialist residential provisions; by increased placement stability and more positive outcomes for the young person.

### **Methodology**

The study is being undertaken in five local authorities that are currently participating in the Multidimensional Treatment Foster Care England (MTFCE) Project.

Longitudinal data is being collected on the needs, placements, services provided and outcomes of twenty-five children. The time period for which data is being collected includes the year prior to placement in MTFC, during MTFC and where appropriate, subsequent placements.

Data is also being collected on the alternative placement identified at the point the decision to place the child in MTFC was made, and the child's pathway after MTFC; whether they leave care or move to a different placement. This allows for variations in costs for different children to be analysed, and the calculation of costs of alternative care pathways.

To calculate unit costs for MTFC and the other placements that the children in the sample experience, activity information is being collected from focus groups and event records completed by the MTFC team and the child's allocated social worker. Finance information including allowances paid to carers, placement fees and salary scales is being obtained from finance departments.

### **Emerging findings**

This project is still underway and unit costs have not yet been calculated, but observations have been made about the service more generally.

Some variation between authorities has been found, regarding the organisation of the teams and the ways in which they are used as a resource within the authority.

In one authority, the MTFC team is situated within the wider fostering team and this has various implications for service provision. The primary benefit of this appears to be that partnership working with the fostering team is facilitated. This can make liaison easier and impact on the efficiency of the transition to new placements.

However, seating the MTFC model within wider fostering also has disadvantages. One example we have found is that purity of approach can be compromised. Vacant MTFC placements are sometimes used to accommodate non-MTFC children, as an

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overflow for regular fostering. The rigid structure of the MTFC paradigm is resistant to carers being used in such a way.

### **Implications for policy, practice and research**

A greater understanding of the unit costs of MTFC, and how they compare to other placements, will allow practitioners to make informed decisions about the most effective pathways, both in terms of costs and outcomes for children.

The exploration of costs over time will illustrate how costs, and facilitate both long term planning and the ‘investing to save’ strategy.

### **Key references**

Ward, H. and Holmes, L. (2008) ‘Calculating the costs of local authority care for children with contrasting needs.’ *Child and Family Social Work* 13, 1, 80-90.

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