

THE COSTS OF REGULATING RESIDENTIAL CARE FOR CHILDREN

Outline of a research project

PSSRU

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BACKGROUND

The PSSRU has been commissioned by the Department of Health and the Wales Office of Research and Development for Health and Social Care to carry out a study that will identify the costs of regulating children's residential care and boarding schools. The project outcome will provide a basis for setting, at a national level, cost-related fees for registration and inspection in these two areas.

The study will provide an understanding of current practice in those areas of residential childcare where there are currently no statutory duties of inspection or registration. This will inform plans for the new regulatory practices in this area.

The Burgner Report, *Regulation and Inspection of Personal Social Services* (1996) recommended that there should be harmonisation of the regulatory arrangements for adults' and children's services. The recent White Paper, *Modernising Social Services*, echoed this view, highlighting the divisions in responsibilities for regulating the various services for adults and children between local authorities, health authorities and the Department of Health.

In response to the Burgner Report (1996), the PSSRU at the University of Kent was commissioned to undertake a research project, which has recently been completed, to identify the costs of regulating residential and nursing home care for adults in a way that provides a basis for setting cost-related fees for registration and inspection at a national level.

At present, there are inconsistencies in the system for regulation and fee-setting across children's facilities. For example, local authorities have the power to set fees for registration and inspection of private children's homes, but voluntary homes and local authority homes do not pay fees. Currently, legislation does not allow for foster care agencies and adoption agencies to be registered or inspected and fees cannot be charged for inspection of independent boarding schools. The inspection of non-maintained special schools and maintained boarding schools is also not currently required. Another omission from current regulation is private children's homes for fewer than four children.

The White Paper outlined plans for the new independent regional Commissions for Care Standards (CCSs) to have responsibility for regulating all children's homes, including voluntary homes and small homes, and all boarding schools, as well as independent fostering agencies. It is intended that the CCSs will be self-financing through fee income paid by regulated providers. If nationally applicable fees are to be introduced to cover all these forms of provision, there is a need for cost information on which to base these fees.

The **PERSONAL SOCIAL SERVICES RESEARCH UNIT** undertakes social and health care research, supported mainly by the Department of Health, and focusing particularly on policy research and analysis of equity and efficiency in community care, long-term care and related areas — including services for elderly people, people with mental health problems and children in care. The PSSRU was established at the University of Kent at Canterbury in 1974, and from 1996 it has operated from three sites:

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PURPOSE	<p>The project will identify the costs to local authorities in England and Wales of regulation of residential care for children and boarding schools in a way that provides a basis for setting cost-related fees for registration and inspection at a national level.</p> <p>The objectives are to:</p> <ul style="list-style-type: none"> ■ Identify relevant activities of inspection units ■ Identify the costs of these activities ■ Investigate causes of variation in these costs ■ Identify a methodological approach that can be used to predict expected costs of regulation ■ Assess any relevant activities in units which undertake to regulate residential services not covered by statutory regulations ■ Discuss current practice in these areas to inform plans for the new regulatory framework ■ Identify useful indicators which, if supplied by inspection units, would allow the Department of Health to update expected costs ■ Discuss the implications of the findings for policy and for fee setting options
METHODS	<p>Discussions will be held with organisations and people who have particular responsibility and knowledge in the area of regulating children's services. These will cover issues specific to the regulation of children's residential services and additional activities which are required to safeguard the welfare of those children in residential care.</p> <p>A sample of local authority inspection units in England and Wales, which have responsibilities for the regulation of children's residential services, will be contacted with a postal questionnaire. This survey will collect information about the resource requirements of specific inspections and registrations of a range of children's homes and boarding schools, and the time use of inspectors of children's facilities. Costs of these resources will be estimated using the results of the earlier project, which focused on homes for adults, combined with some additional information, obtained from this survey. Multivariate analyses will provide a basis for predicting costs of inspection functions and approaches to setting cost-based fee levels.</p> <p>In addition, those units which undertake voluntary regulation of fostering and adoption services will be contacted to establish the level of regulation maintained, specific activities performed and the level of resource inputs required to achieve this regulation.</p>
TIMETABLE AND OUTPUTS	<p>This is a year long project which commenced in May 1999. A report on the results of the survey will be produced for the Department of Health and Wales Office of Research and Development for Health and Social Care for June 2000. A summary of findings will be circulated to all participating units. One or more peer review journal articles will be published on the basis of the findings.</p>
FURTHER INFORMATION	<p>The Personal Social Services Research Unit staff conducting the research are Dr Ann Netten at the University of Kent, Julien Forder, at the London School of Economics, and Kathryn Mummery, also at the University of Kent.</p> <p>Enquiries should be addressed to Lesley Banks: telephone 01227 823963, email L.A.Banks@ukc.ac.uk.</p>