

**Schema 6.1 Local authority community home for children**

Costs and unit estimation	2002/2003 value	Notes
Capital costs A. Buildings	£62 per resident week	Based on the new build and land requirements for local authority children's homes. These allow for 59.95 square metres per person. <sup>130</sup> Capital costs are discounted at 3.5 per cent over sixty years. See editorial. When discounted at 8 per cent, the cost is £126 per resident week.
B. Land	£5.80 per res. week	Based on Department of the Environment, Transport and the Regions <sup>131</sup> statistics. Land costs have been discounted at 3.5 per cent over sixty years.
C. Equipment		
<i>Revenue costs</i> D. Salary and other revenue costs	£2,187 per res. week	Median gross revenue costs are based on PSS EX1 returns for 2001/02 uprated using the PSS Pay and Prices Index. Capital charges on the revenue account have been deducted (£58). Local authorities reporting costs of below £450 and above £5,000 per resident week were excluded. One local authority was excluded because the distribution of costs suggested that it provided services of a different nature. Ten per cent of authorities reported costs of £1,596 or less; and 10 per cent £3,063 or more per week. The mean was £2,145.
E. Agency overheads		Social Services Management and Support Services overheads (SSMSS) overhead costs are included so no additional agency overheads have been included in unit costs below.
F. <i>Other costs</i> Social work Other services	£136 £131 per res. week	Mean cost for social worker support of children looked after, taken from the Children in Need (CiN) Census discussed in Unit Costs of Health and Social Care 2001. <sup>132</sup>  A study of child care assessment services <sup>133</sup> was conducted after the passage of the Children Act in 1989 but prior to its implementation in October 1991. This found that other services (including education, health and social services) added about 6 per cent to running costs of community homes. The homes included had costs ranging between £526 and £925 per resident week at 1990/91 prices.
Use of facility by client	52.18 wks p.a.	
Occupancy	78%	Cipfa Actuals 1995-96. More recent data are not available.
London multiplier	1.23 x A; 5.20 x B; 1.27 x (D to F)	Relative London costs are drawn from the same source as the base data for each cost element. Information about London revenue costs has previously been based on each year's KIGS statistics. These present an inconsistent picture across services so have been excluded in this volume.
<b>Unit costs available 2002/2003</b>		
£2,255 establishment costs per resident week (includes A to D); £2,522 care package costs per resident week (includes A to D and F).		

<sup>130</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, Royal Institute of Chartered Surveyors, Kingston-upon-Thames, Surrey.

<sup>131</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>132</sup> Netten, A., Harrison, G., Rees, T. *The Unit Costs of Health and Social Care* (2001), Child care costs in social services, pages 13-17.

<sup>133</sup> Beecham, J. & Knapp, M. (1995) The costs of child care assessment, in R. Sinclair, L. Garnett & D. Berridge (eds) *Social Work Assessment with Adolescents*, National Children's Bureau, London.

## Schema 6.2 Local authority day nursery for children

Prior to 1998 the cost given was per place per day. Since 1998 the cost has been per session. A session is defined as either a morning or an afternoon at the day care facility.

Costs and unit estimation	2002/2003 value	Notes
<i>Capital costs</i> A. Buildings	£0.90 per session	Based on the new build and land requirements for local authority day nurseries. These allow for 8.35 square metres per person. <sup>134</sup> Capital costs are discounted at 3.5 per cent over sixty years. See editorial. When discounted at 8 per cent, the cost is £1.45 per session.
B. Land	£0.07 per session	Based on Department of the Environment, Transport and the Regions <sup>135</sup> statistics. Land costs have been discounted at 8 per cent over sixty years.
C. Equipment		
<i>Revenue costs</i> D. Salary costs and other revenue overheads	£26 per registered child per session	CIPFA Actuals 1999-2000 <sup>136</sup> uprated using the PSS Pay and Prices Index. No later statistics are available. Data were adjusted to exclude expenditure on services purchased from the independent sector. Capital charges on the revenue account are included in expenditure data. Ten per cent of authorities had average costs of £17 per session or less and 10 per cent £39 per session or more. Median costs were £26 per session. Local authorities reporting costs of less than £1 or more than £40 per session were excluded.
E. Agency overheads	£1.30	Calculated by adding 5 per cent of revenue costs, following an Audit Commission report about overheads associated with residential care. <sup>137</sup>
<i>Other costs</i>		
Use of facility by client	500 sessions p.a.	
Occupancy	76%	Department of Health statistics, 1997. <sup>138</sup> More recent statistics are not available.
London multiplier	1.23 x A; 5.20 x B.	Relative London costs are drawn from the same source as the base data for each cost element. Information about London revenue costs used to be based on each year's CIPFA statistics. These present an inconsistent picture across services so have been excluded.
<b>Unit costs available 2002/2003</b>		
£27 per place per session (includes D to E). See note in D about treatment on capital.		

<sup>134</sup> Building Cost Information Service (2003) *Surveys of Tender Prices*, Royal Institute of Chartered Surveyors, Kingston-upon-Thames, Surrey.

<sup>135</sup> Department of the Environment, Transport and the Regions (2003) *Housing and Construction Statistics 1991-2001*, The Stationery Office, London. The appropriate inflator is provided by the DETR on request.

<sup>136</sup> CIPFA, *Personal Social Services Statistics 1999-2000 Actuals*, Statistical Information Service, London.

<sup>137</sup> Audit Commission (1993) *Taking Care*, Bulletin, Audit Commission, London.

<sup>138</sup> Department of Health (1997) *Community Care Statistics, Day and Domiciliary Personal Social Services for Adults, Detailed statistics*, Government Statistical Service, London.

**Schema 6.3 Local authority foster care for children**

<b>Costs and unit estimation</b>	<b>2002/2003 value</b>	<b>Notes</b>
A. Boarding out allowances and administration	£305 per child per week	Median costs using PSS EX1 for 2001/02 uprated using the PSS pay and prices index. The lower quartile is £264 and the upper quartile is £400.
B. Care		
C. Social work support	£136 per child per week	The majority of children looked after are in foster placements and the mean cost of social work support has been taken from the Children in Need (CiN) Census discussed in Unit Costs of Health and Social Care 2001. <sup>139</sup>
D. Other services, including education	£152 per child per week	The study by Beecham and Knapp found that other services including health, education and social services (estimated on the same basis as services to those in community homes) added a further 50 per cent to the cost.
Service use by client	52.18 weeks per year	
London multiplier	1.27	Department of Health Key Indicators 2000-01. Costs in London were considerably higher and this is likely to be due to, as well as higher costs in London, a larger market with Independent Fostering Agencies available.
<b>Unit costs available 2002/2003</b>		
£593 per child per week (includes A to D).		

<sup>139</sup> Netten, A., Harrison, G., Rees, T. *The Unit Costs of Health and Social Care* (2001), *Child care costs in social services*, pages 13-17.

## Schema 6.4 Social services support for children

### *Children in Need 2001*

The Children in Need survey is an annual collection by local authorities for the Department of Health designed to link needs, services and costs of children's social services. For the first time in 2001, local authorities returned information on each service received by each child seen during the survey week. Returns were made by 144 of the 150 local authorities in England, which included information on 363,389 children or young adults supported by child protection legislation. For further information see <http://www.doh.gov.uk/cin/>.

We present data on the weekly costs of supporting children based on this survey. These costs are established by summing the component cost of each individual service provided to each child during census week. This includes all costs falling to social services departments including placement costs and other regular payments, commissioned and directly provided services, social work and other fieldwork, group work and individual work in centres and teams, and miscellaneous costs, and one-off costs and payments. However, it excludes costs to other agencies, where these are shared. The guidance notes at the above site provide full details of definitions.

The information presented here is based on 177,570 children who were known at the start of the week, received any service or payment during survey week and whose costs for each service they received are within a normal range. The figures presented are medians (the cost for a typical child) rather than means (the average cost per child), which we consider to be more reliable given the quite high proportion of exceptional costs reported. For children looked after, the median weekly cost is £273 while for children supported in their families or independently it is £56. Means are much larger, £456 and £111 respectively, because of small numbers of children with exceptional costs.

These figures are derived from a Department of Health funded research project *Childcare Costs: Variations and Unit Costs*, the report of which will be available shortly via the PSSRU website.

**Table 1 Social services costs per child per week by region**

Location	Children supported in families or independently		Children looked after		Total	
	Total no. children	Median cost per child £	Total no. children	Median cost per child £	Total no. children	Median cost per child £
Inner London	10,213	88	3,772	343	13,985	127
Outer London	14,775	101	4,039	399	18,814	120
Metropolitan Districts	30,927	48	14,687	231	45,614	79
Unitary Authorities	26,385	56	8,994	272	35,379	82
Shire Counties	40,975	48	15,623	281	56,598	78

**Table 2 Social services costs per child per week by need category**

Need Category <sup>1</sup>	Children supported in families or independently		Children looked after		Total	
	Total no. children	Median cost per child £	Total no. children	Median cost per child £	Total no. children	Median cost per child £
Abuse/neglect	34,437	57	26,996	271	61,433	121
Disability	16,662	46	5,633	218	22,295	62
Parental illness	6,905	56	2,708	266	9,613	91
Family stress	14,986	45	2,659	298	17,645	57
Family dysfunction	15,628	52	4,809	303	20,437	78
Socially unacceptable behaviour	8,732	65	1,438	465	10,170	82
Low income	9,184	107	151	308	9,335	110
Absent parenting	3,096	97	2,513	312	5,609	165
Cases other than children in need	4,574	42	381	220	4,955	47
Cases not stated	13,920	47	2,158	208	16,078	57

**Notes**

1. As specified in the CIN Survey.

**Table 3 Social services costs<sup>1</sup> per child per week by placement type**

Type of placement	Children supported in families or independently		Children looked after		Total	
	Total no. children	Median cost Per child £	Total no. children	Median cost per child £	Total no. children	Median cost per child £
Residential home	553	866	4,604	1,397	5,157	1,350
Foster home	1,673	208	24,630	217	26,303	216
Placed for adoption	471	74	875	124	1,346	85

**Notes**

1. Placement costs only, based on children in a single placement type throughout the week.

**Table 4 Social services costs per child per week by child protection register status (CPR)**

Type of placement	Children supported in families or independently		Children looked after		Total	
	Total no of children	Median cost per child £	Total no of children	Median cost per child £	Total no of children	Median cost per child £
Registered on CPR	12,849	74	4,373	348	17,222	110
Not registered on CPR	115,275	54	45,073	266	160,348	85

### Schema 6.5 The costs of community-based care of technology-dependent children

A study led by Caroline Glendinning and Susan Kirk<sup>140/141</sup> investigated the costs of supporting a group of children dependent on medical technology which enables them to survive. The definition of technology dependence crucially affects estimates of the numbers of such children and for the purpose of the study was defined as: dependence on technological device to sustain life or optimise health and the need for substantial and complex nursing care for substantial parts of the day and/or night. Exemplar case studies of three technology dependent children were constructed in order to demonstrate the costs of caring for a technology dependent child at home. These case studies were designed to illustrate the wide range of medical, nursing and other needs of technology dependent children. They are not precise descriptions of any three particular families. Instead of drawing on 'real life' cases, they are designed to illustrate the wide range of medical, nursing and other needs of technology dependent children.

The following aspects of care were costed:

- One-off capital/start-up costs (mainly the purchase of equipment)
- Recurrent costs of equipment and consumables
- Recurrent staffing costs
- Recurrent statutory social security benefits
- Additional costs borne by families themselves (partially offset by social security benefits)

The costs summarised below have been derived from a number of sources. The costs of specialist equipment and associated consumables, home care services and enteral feeding were supplied by staff at two specialist regional hospitals. Information on the costs of community health and local authority services were originally obtained from Netten et al (1998)<sup>142</sup>. Details of professional salary costs were obtained from the 1999 report of the relevant pay review bodies. These costs have been uprated to reflect the present day costs. Costs borne by families themselves which were similar to those incurred in the care of a severely disabled child were obtained from a study which used budget standard methods to estimate the costs of childhood disability (Dobson and Middleton, 1998).<sup>143</sup> The costs of other extra consumer items needed by families themselves were obtained from mainstream High Street suppliers.

<sup>140</sup> Glendinning C., Kirk S., Guiffrida, A. & Lawton D. (2001). Technology-dependent children in the community; definitions, numbers and costs, *Child Care Health and Development*, 27 (4) 321-34.

<sup>141</sup> Glendinning C., Kirk S., with S., Guiffrida, A. & Lawton D. (1999). *The Community-Based Care of Technology-Dependent Children in the UK: Definitions, numbers and costs*. Research Report commissioned by the Social Care Group, Department of Health. National Primary Care Research and Development Centre, University of Manchester.

<sup>142</sup> Netten, A., Dennett, J., Knight, J., *Unit Costs of Health and Social Care* (1998). Personal Social Services Research Unit, University of Kent.

<sup>143</sup> Dobson, B. & Middleton, S. (1998). *Paying to Care; the Cost of Childhood Disability*, York, Joseph Rowntree Foundation.

**Schema 6.5.1 Technology dependent children: Case A**

<b>Type of case</b>		
<p>Case study A was a 6 year old girl with a congenital neuromuscular condition who needed continuous ventilatory support and was fed by a gastrostomy; she was also incontinent. Her divorced mother gave up work as a secretary to care for her and they lived in local authority housing which was adapted to provide a downstairs bedroom and bathroom. They had no car, so used taxis or pay friends to take A out. She attended a special school and received home visits from an outreach nurse from the specialist regional hospital 10 miles away, monthly visits from the local paediatric nursing team and physiotherapy once a week. A's mother had round the clock help from a team of specially trained home carers (who also care for A at school); some home help for housework and to take A's sibling to school; and quarterly visits from a social worker. She also received counselling and medication to help cope with the stress of caring for A. She had extra phone bills and the costs of refreshments for the home carers, over and above those normally associated with a severely disabled child.</p>		
<b>Items</b>	<b>Average cost per annum</b>	<b>Description of items</b>
Equipment non recurrent costs	£ 8,144	Includes housing adaptation, bed, wheelchair, two ventilators, electricity generator, pulse oximeters, two suction machines, one humidifier. Costs for all cased ranged from £ 6,245 to £11,100 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent. See editorial. Housing adaptation costs were annuitised over a lifetime of 10-15 years.
Equipment recurrent costs	£13,559	Includes clinical waste removal service, consumables, servicing ventilator, pulse oximeters, servicing suction machines and humidifier and gastrostomy feeding.
Annual staffing costs	£ 98,102	Based on a Health Care Assistant, Qualified Nursing Supervision, Community nursing input, Specialist outreach nurses, GP involvement, Social worker involvement Home help type input, Community and Hospital Paediatricians, community children's nurse, Community physiotherapist, OT and Social Worker and Teacher. Costs for all cases ranged from £ 93,042 to £103,162 per annum.
Consequences of health costs to mother	£ 612	Includes prescription for anti-depressants, counselling from psychologists and GP appointments. Costs for all cases ranged from £460 to £732.
Social security benefits	£ 12,435	Includes income support and premium for lone parent, child allowance, disabled child premium, highest care DLA, highest care mobility DLA.
Education	£ 2,881	Includes transport to the school by taxi and community therapist input. Costs for all cases ranged from £2,555 and £3,175.
Family costs	£ 13,606	Includes increased electricity bills, laundry and clothing, incontinence and consumables, travel costs, home carers, telephone calls to hospitals, purchase of mobile phone and loss of earnings. Costs for all cases ranged from £12,822 to £14,393 per annum.
<b>Unit Costs Available 2002/2003</b>		
£123,298 Service costs; £135,733; Costs to state agencies; £136,904 Social costs.		

### Schema 6.5.2 Technology dependent children: Case B

<b>Type of case</b>		
Case study B was 4 months old. She suffered severe anoxia at birth, has a tracheostomy and was fed through a naso-jejunal tube. She was likely to be severely disabled. Her parents owned their house 50 miles from the regional specialist hospital. They had no personal transport. B's father switched from full to part-time work to help with her care. They had quarterly visits from a specialist outreach nurse from the hospital and monthly visits from the local district nurse, health visitor, occupational and physiotherapists and Portage workers. A weekly service removed clinical waste from the house. Trained home carers provided a break for B's parents three nights a week. A social worker was involved in multi-disciplinary planning/review meetings about B. B's parents used taxis or paid relatives' petrol costs instead of public transport, purchased a mobile phone and spent extra on phone calls to hospital.		
<b>Items</b>	<b>Average cost per annum</b>	<b>Description of items</b>
Equipment non recurrent costs	£ 202	Includes suction machines and one humidifier. Costs for all cases ranged from £167 to £244 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent. See editorial.
Equipment recurrent costs	£ 4,350	Includes clinical waste removal service, consumables, servicing suction machines and humidifier.
Annual staffing costs	£21,894	This includes a Home Carer support, a specialist outreach nurse, GP involvement, Social Worker involvement, District nurse, Health visitor, Community therapist, OT, physiotherapist, Portage worker, Paediatricians, and District Nurse. Costs for all cases ranged from £21,579 to £22,213.
Social security benefits	£ 5,050	Invalidity care allowance and highest care DLA.
Family costs	£ 6,115	Costs for all cases ranged from £5,061 to £7,170.
<b>Unit Costs Available 2002/2003</b>		
£26,446 Service costs; £31,496 Costs to state agencies; £32,561 Social costs.		

**Schema 6.5.3 Technology dependent children: Case C**

<b>Type of case</b>		
<p>Case study C was an 11-year old boy with renal failure. He received continuous cycling peritoneal dialysis every night and overnight feeding through a gastrostomy. He lived with his younger sibling in an owner-occupied house, which has had some minor adaptations to improve hygiene and storage facilities. His father worked full time; his mother cut her hours and lost promotion opportunities because of C's care. They owned their own car. C lived 20 miles from the specialist hospital, which he attended regularly for outpatient monitoring; both parents therefore needed extra time off work and incurred associated travel costs. C was visited at home each month by a specialist outreach nurse and also had annual visits from the dietician and social worker based at the hospital. C attends mainstream school, but requires no extra support there. However, his parents have bought mobile phones/pagers in case of an emergency.</p>		
<b>Items</b>	<b>Average cost per annum</b>	<b>Description of items</b>
Equipment non recurrent costs	£ 1,119	Includes dialysis machine. Costs for all cases ranged from £939 to £1,362 per annum. Costs have been annuitised over a lifetime of 4-6 years at a discount rate of 3.5 per cent. See editorial.
Equipment recurrent costs	£40,384	Includes clinical waste removal service, consumables, gastrostomy feeding and associated drug therapy. Costs for all cases ranged from £40,282 to £40,485 per annum.
Annual staffing costs	£ 833	Includes a specialist outreach nurse, hospital dietician involvement, hospital social worker involvement and GP involvement. Costs for all cases ranged from £794 to £873.
Social security benefits	£ 2,877	Includes highest care DLA.
Family costs	£ 3,715	Includes increased electricity bills, laundry and clothing, travel costs, home carers, telephone calls to hospitals and loss of earnings. Costs for all cases ranged from £3,099 to £4,331 per annum.
<b>Unit Costs Available 2002/2003</b>		
£ 42,336 Service costs; £46,051 Costs to state agencies; £46,051 Social costs.		