

The development of unit costs for social work processes

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Introduction

As part of the Costs and Effectiveness of Services for Children in Need research initiative, a study (Ward et al., 2004) was carried out in order to explore the costs and consequences of placing children in care or accommodation. The study aimed to link the costs of services more closely with the children concerned, by costing social work processes and then identifying how frequently these were undertaken over the course of a care episode. The study used data showing the experiences of a sample of 478 children, aged ten and over, who were all looked after by six local authorities between the weeks of the first and second Children in Need censuses in February 2000 and October 2001.

Data sources

The information underlying the unit cost estimations calculated for this study was gathered through focussed discussions held within team meetings attended by one of the researchers. Meetings were structured around the information from the local procedural documents issued to staff by each authority; those who attended were taken through those social work processes that were appropriate to their work, and a discussion was held concerning the length of time each staff group spent on each of the component parts. The social work processes were broken down into those activities undertaken by field social workers, family placement workers, team managers, administrative staff and other personnel either within or outside social services. Activities were further broken down into those that involved direct or indirect contact with service users, following the methodology used in the CIN census. Calculations were based on the extent to which staff *actually* followed local guidance rather than on the authority's expectations. The amount of time spent by each participant on each process was then costed as a proportion of salaries and overheads, and the whole added together to arrive at the unit costs.

This consensus approach proved to be robust in that there was little variation between the views of staff both within and between the authorities concerning the standard amount of time they spent on each process; major disparities being clearly attributable to differences in children's needs, the types of placement they received or specific local factors. The information was verified at a workshop attended by representatives from four of the

participating authorities. Opportunities were also offered for interested staff to comment, through structured questionnaires sent out after the meetings, on the agreed duration of the elements of each process.

Additional information about staffing levels, calculations concerning the weekly costs of maintaining children in foster and residential care presented for the CIN census and salary scales were gathered with the help of the liaison person in each authority.

Selection of processes to cost

The processes for which unit costs were derived in this study were modelled on the nine case management operations that underpin the task of looking after a child in care or accommodation of which four representing a low cost, median cost, high cost and very high cost are shown in schema. The processes costed in this study are tabulated below illustrating the standard cost to social services for a looked after child in local authority provided foster care outside London. This standard cost has been calculated by averaging the costs incurred by the four participating authorities, excluding the inner London boroughs which showed different cost patterns.

Table 1 Standard cost to social services of case management processes for a looked after child in local authority foster care (outside London) (2000/2001 prices)

Process	Cost
Deciding child needs to be looked after and finding a first placement	£508
Care planning	£95
Maintaining the placement (per month)	£1343
Exit from care/ accommodation	£209
Finding a subsequent placement	£163
Review	£324
Legal processes	£2198
Transition to leaving care services	£925

All looked after children will go through the first four processes during the time they spend in care or accommodation. In every case, a decision has to be made as to whether a child needs to be looked after, and a first placement has to be agreed and found, even when this is a de facto placement with parents or relatives. Decisions are based primarily on the core assessment, which is costed separately, as a process outside this study (see Cleaver and Walker, 2004, pages 19-20). When children are looked after more specialist assessments should be made of their health, educational and developmental status and Personal Educational Plans and Individual Health Care plans made on the basis of the findings. These developmental plans need to be linked to the overall care plan for a looked after child, and to the placement plan, specific to each individual placement. In this study, they have been included in care planning. Once a child is in placement, work has to be undertaken to ensure that both carers and child are adequately supported maintaining the placement. There is also a process to be undertaken at the end of the care episode, whether the child moves on to adoption, returns home or becomes independent. (Exiting from care/ accommodation).

Additional processes will need to be undertaken for some children: many will move to new placements (Finding a subsequent placement); those who remain looked after for a month or more will be subject to the review process (Review); further attention should be given to

monitoring developmental progress through Assessment and Action Records (or Assessment and Progress Records in the Integrated Children's System) (Review); and some will require legal interventions such as emergency protection orders, care orders or residence orders to secure their position (Legal processes). Young people who come under the provision of the Children (Leaving Care) Act 2000, will also be entitled to leaving care services (Transition to leaving care services). Some of these processes will be repeated as children remain in the care system and their progress is monitored or circumstances change.

Variations in costs

While the methodology described above has been used to calculate the standard costs incurred by any council in the process of fulfilling its responsibilities for looked after children, there were a number of specific factors that resulted in substantial variations in the time spent on some of the component tasks and thus the process costs. Such variations were engendered by particular factors within the local authority, within the types of placement used or within the population looked after.

Factors within the councils that were found to contribute to variations in the costs of service delivery could be attributed to geographical location, local authority policies and procedures, staffing and the availability of resources. Differences in salaries paid and the mix of staff employed also accounted for variations in the costs of service delivery.

A number of placement factors also contributed substantially to variations in the costs of looking after a child. The unit cost to social services for maintaining the placement (per month) encompassed the subsistence, salary and capital costs of the placement as calculated by the authorities, together with the costs of supporting it through visits to child and birth family, traveling and paperwork (social worker time); typing letters, filing and other paperwork, telephone calls, arranging payments to carers (administrative staff time); and supporting foster carers (family placement worker time). There were substantial variations in the cost of this process, according to the type of placement used; the standard unit cost for maintaining a child for a week in residential care was eight times that of the cost of foster care, 9.5 times that of a kinship placement and 12.5 times that of a placement with own parents.

As well as the organisational and placement factors, there were also a number of child-related factors that contributed to the variations in costs. These child-related factors include: disability, emotional or behavioural difficulty, and offending behaviour. The circumstances of asylum seeking children were also found to produce different cost pathways. It was also evident that a small number of children with complex needs who require specialist placements and services could skew the total costs of the looked after population in an authority.

While the unit costs calculated for this study focus on the costs to social services, it should also be noted that children who are looked after away from home often require support from a range of other universal and targeted services; they are particularly likely to incur additional costs to education, mental health services and youth offending teams.

Decision analysis model

The unit costs for each of the eight processes, along with the placement and needs data collected for the sample children were used to develop a computer application to facilitate

cost calculations. A decision analysis model has been constructed in Excel, using three spreadsheets. Cost calculations are carried out in one spreadsheet that picks up basic child and placement data from a second spreadsheet and unit costs from a third.

The model calculates the cost of each of the processes, taking into account the many variations according to placement type, the child's characteristics and variations between local authorities. Aggregate costs can be produced both for individual children and for care populations.

A demonstration model is currently being refined and will be made available on a CD to all English local authorities, together with a short user guide.

Conclusion

The complex relationship between those factors that contribute to (social care) costs needs to be better understood. Exploring how costs accrue as individual children follow different pathways through care, and identifying common patterns between those with similar characteristics, should lead to better understanding of both the costs of services and their relationship to children's well being.

Reference

Ward, H., Holmes, L., Soper, J. & Olsen, R. (2004) *Costs and Consequences of Different Types of Child Care Provision*, Centre for Child and Family Research, Loughborough University.