

Calculating costs of children's social care: a 'bottom up' approach

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Development of the methodology

- combines fee/allowance costs with the costs of social care support for placements
- calculates costs from the bottom up
- calculates individual costs based on the actual care history of each child
- relates costs to children's needs
- analyses costs by outcomes

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 costing

- Activity to support a looked after child from point of entry until no longer looked after
- Activity by all social care personnel
- Based on practice rather than theoretical framework
 - ~ Focus groups
 - ~ Event records
 - ~ Verification questionnaires
- Allows for variations in costs according to need, placement type and differences in practice

Methodology:

Social Care Processes

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

Calculating unit costs - time use activity data

- Number of hours spent on each task for each staff member
 - ~Includes allocated social worker; family placement/fostering workers; administrators; team managers
- Ascertain total activity by each staff member for each of the eight processes

Collection of time use activity data

- Conceptualise eight core processes for looked after children
- Identify activity for a ‘standard process’
- Identify variations
- Breakdown direct and indirect activity
- Include travel time
- Discreet or ongoing process?

Collection of time use activity data

- Focus groups
 - ~ structured discussions with groups of social care practitioners
- Verification questionnaires
 - ~ follow up to the focus groups
- Online surveys
 - ~ based on the verification questionnaires but used as stand alone tools
- Event records
 - ~ detailed daily records for specific cases over a three month time frame

Analysis of time use activity data

- Exploration of data from the different sources
- Feasibility tests based on number of hours worked and case loads
- Use of different data for different processes
 - ~ distinction between discreet and ongoing processes
- Aggregate information for each staff type
- Aggregate information for each process
- Average activity times for standard process and also variations

Example activity times: Review Process

Who	Activity type	Time spent	Variations
Social worker	Preparation, attendance at meeting and activity post meeting	5 1/4 hours	PLUS 1/2 hour for children aged 16+ PLUS 1 hr for UASC
Independent reviewing officer	Preparation, attendance at meeting, paperwork post meeting	5 1/4 hours	
Admin	Office based tasks	1 hour	
Team manager	Office based tasks	1 1/2 hours	
Fostering social worker	Attendance at meeting	2 hours	

Calculation of hourly rates

- Salaries for each staff type
- Schema to calculate unit cost per hour
 - ~Includes salary on costs
 - ~Overheads
 - ~Capital overheads
- Multiply unit cost per hour by number of hours

Development of an overheads framework

- Created and since piloted across a range of studies
- Ensures the inclusion of fixed overhead costs
 - ~ Premises
 - ~ Information technology
 - ~ Human resources
 - ~ Office running costs
- Calculation as a % of salary
- Currently using an estimate of 36.6% for local authority services

Unit costs (CAN \$)

Process One	Decide child needs to be looked after & find a first placement	1,022
Process Two	Care planning	192
Process Three	Maintaining the placement (per month)	2,702
Process Four	Exit from care/accommodation	421
Process Five	Finding a subsequent placement	328
Process Six	Review	653
Process Seven	Legal processes (over total period in care)	4,424
Process Eight	Transition to leaving care services	

Making use of the unit costs

- Examples from the presentation on Monday morning
- Inform decision making and planning of services
- Re-configuration of tasks
- Appropriate levels of administrative support
- Case load management
- Exploration of proportions of direct and indirect working

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