

## **Additional Services**

### **Introduction**

As detailed throughout this book, the costs and outcomes research programme carried out by the Centre for Child and Family Research (CCFR) has differentiated between the costs of activities associated with *case management activities* carried out by frontline social care practitioners as part of the ongoing monitoring and assessment of cases and those associated with the provision of *additional services* aimed at addressing specific needs, for example, placements for looked after children, therapeutic interventions or parenting classes. The two previous chapters have focussed on the *case management activities* and the focus of this chapter will shift onto the *additional services*. The recording of data about the provision of *additional services* is explored and worked examples are provided.

As outlined in Chapter 2 the distinction between *case management activities* and *additional services* was first made in the original study that focussed on looked after children. For these children once they are placed in care the core service component is the placement and therefore the cost of the placement is the most substantive cost element. However, it was evident that children also receive a range of different services, from a range of providers to support them in their placement, for example the involvement of Child and Adolescent Mental Health Services (CAMHS), services provided by youth offending teams to support young offenders, or educational support services. In order to fully understand the costs of providing services

to vulnerable children it is essential to be able to include all of the services in cost calculations.

The original study highlighted that information about *additional services* was not usually routinely recorded on social care management information systems, particularly in a format that can easily be extracted for analysis (Ward, Holmes and Soper 2008). In order to explore and cost the services provided to looked after children it was necessary for the research team to examine detailed paper-based case notes and use this information to supplement the data from management information systems. The case file data was not always comprehensively recorded and where possible, for a sub-sample of children a 'service provision checklist' was utilised by the research team in interviews with young people to ascertain the services that they had received. The 'service provision checklist' was a tool based on the CSRI (Client Service Receipt Inventory), to record type of services, along with length and frequency of attendance at the service (Beecham and Knapp 2001).

Children in need will also be in receipt of *additional services*, provided as part of their child in need plan. These *additional services* may be provided either by the same team as those carrying out the *case management activities* or by another team or agency (Holmes *et al.* 2010; Ward *et al.* 2008). Such teams are not necessarily case holding; rather they carry out time specific work with a family on an identified area such as tantrums, daily routine for the child and their family or parenting skills. In addition to services provided from within social care, other agencies or voluntary or independent providers may deliver a range of services. All *additional services* are provided in order to address identified needs and may be offered to the child, parents or siblings.

The provision of these *additional services* occurs alongside the *case management* activities as part of the interventions in place to support a child and their family. For some children and families, these *additional services* are likely to be provided as part of a package of service provisions, in order to best meet the needs identified (Department for Education and Skills, 2004). Indeed, the Common Assessment Framework (CAF) is designed to identify a 'Team around the Child' (or in some localities, 'Team around the Family') comprising

professionals from a number of agencies providing support to meet the needs identified in the CAF. In Chapter 2 the timeline for Jack (Box 2.4) illustrated how the *case management activities* carried out to support Jack, as a child in need may be provided over time. Jack was in receipt of services in addition to the ongoing support. The timeline below shows both of these elements.

#### Box 4.1 Jack's story: Part 2

In addition to the support provided to Jack and his mother by his allocated social worker, a family support worker from the same team was allocated to his case. This worker carried out a focused piece of work to help Jack's mother discipline him appropriately and to help Jack control his anger. These issues were both identified as part of the initial assessment and the provision of the services was identified in the care plan. This piece of work was carried out over a six week time period.

Once this work had been carried out the family support worker and the allocated social worker had an informal discussion to examine how Jack and his mother were getting on. The activity for this discussion is included in Process 3: Ongoing support. It was decided that Jack's mother would benefit from attending an eight week parenting course provided by a local voluntary agency. Jack's mother started to attend the course in January 2009.

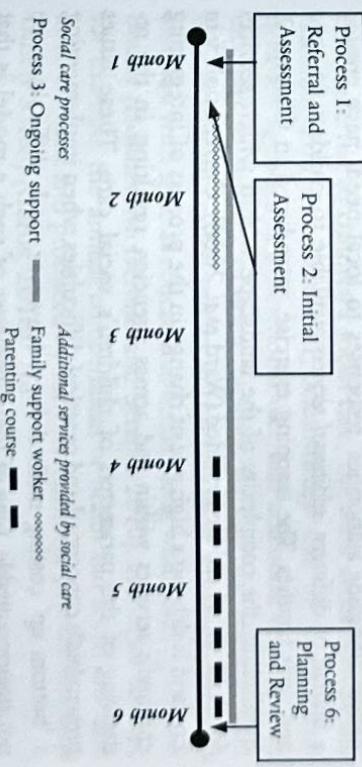


FIGURE 4.1 Timeline for Jack including additional services

The timeline for Jack illustrates how the two elements can be brought together to understand the interventions and ongoing support that are provided to a child over a period of time. The use of these data elements to build up costs and then use the data is explored further in Chapter 6. In order to achieve the aim of being able to explore the relationship between needs, costs and outcomes, understanding service provision is essential. To facilitate the inclusion of *additional services* in cost calculations and modelling of costs the availability of data on service provision needs to be examined. The following section of this chapter focuses on the availability of data about *additional services*, in relation to children in need and also discusses some of the identified key issues in terms of how the information is recorded.

### Services for children in need

The provision of services for children in need is complex, representing a wide range of services and a variety of provision. A complex picture of *additional services* for children in need have been identified by studies undertaken by CCFR (Gatehouse, Ward and Holmes 2008; Ward *et al.* 2008; Holmes, McDermid and Sempik 2010; Holmes *et al.* 2010). These services include a range of service types, service providers as well as funding and delivery arrangements. Movements towards further integration between agencies and the services they deliver alongside authorities' responses to local need, have created a myriad of different *additional services* available to children in need and their families. The mapping exercise, introduced in Chapter 2, highlighted the complexity of the landscape within which services for children in need are provided (Ward *et al.* 2008). Current policy in England is driving a high rate of change in the process of integrating children's services within and across agencies, resulting in the re-drawing of the parameters of children's social care. These issues present both conceptual and practical difficulties when implementing a 'bottom up' costing methodology. However, such difficulties are not insurmountable. One of the advantages of such a model is that it offers transparency, enabling reasonable cost comparisons to be made. Consequently in utilising the 'bottom up' methodology to

calculate the costs of support and services to children in need, it was necessary to define the parameters within which the research team should operate.

As noted in Chapter 1, it is evident from the data that has been collected for the research that the policy agenda of partnership and integrated working has been embraced both across and within agencies. A wide range of agencies may be involved in supporting children in need and their families. Those children with the most complex needs, and especially disabled children, or children requiring additional educational support, may be receiving ongoing support and *additional services* from a number of different agencies (see also Holmes, McDermid and Sempik 2010).

The commissioning of services has increasingly become a joint activity, particularly with the use of multi-agency decision making panels. The aforementioned mapping exercise identified an ever changing and expanding 'macro map' of service commissioning and provision that reflects the wide variety of service providers and partnership arrangements. Research carried out by CCFR has identified that the process of commissioning services is costly, both in terms of setting up new contracts and also maintaining contracts (Holmes, McDermid and Sempik 2010).

The task of listing all the possible support that may be provided to children in need and their families would be vast. As such, the research that focussed on children in need, initially focussed on the costs incurred to children's social care. The work undertaken by the research team does, however, acknowledge that the demarcation between agencies is a functional one, and additional costs may be incurred to support of some families. As such the research team have drawn on related studies to cost education services provided to children with special educational needs, along with health, and short breaks (Holmes, McDermid and Sempik 2010), and other sources, for example the annual compendium of health and social care unit costs collated and produced by the Personal Social Services Research Unit (PSSRU) (Curtis, 2010).

The picture is further confused by a lack of consistent definitions. Initially in the mapping exercise it appeared that all the participating authorities provided some common services; however, it later became

clear that the boundaries are ill-defined. The analysis of the data showed that some provision bears the same name but offers different services in different authorities, and some authorities have different names for the same services. Furthermore, the research to explore the costs of short break provision found a similar picture with a vast array of services on offer across the three participating authorities. Even where a similarly named service does apparently undertake the same activity there can be variation and diversity. For instance, 35 different group activities for disabled children were identified across three local authorities. One authority provided five different after school groups, each working with disabled children with differing needs, requiring a range of staffing, running for a range of hours, each located in a different place (Holmes, McDermid and Sempik 2010). Indeed, statutory duty for local authorities to provide short break services, which came into effect in April 2011, states those short breaks must vary in order to meet the range of needs identified for disabled children and their families.

The sheer range of services identified by these two studies may be a response to needs led commissioning, with localities offering a range of services to meet the specific needs identified within their own localities. This may be further compounded with policy moves towards even greater independence for local authorities in decision making (Department for Education 2011a; Cabinet Office 2011). Moreover, the range of services offered to children and families receiving support under the auspices of the Common Assessment Framework may well become more convoluted. The range of additional services cited by the local authorities poses a challenge when attempts are made to cost services and make comparisons across and between local authorities. In addition to the difficulties in defining and categorising services outlined above in order to apply cost calculations to child in need populations readily accessible child level data is required for accurate and comprehensive cost calculations. The recording and availability of this data is explored in the following section.

### **The recording of services**

The importance of understanding a child's journey as they receive support from a range of services in response to specific needs has recently been highlighted as part of the Munro *Review of Child Protection* (Munro 2010; Munro 2011). High quality data about service provision are required if children's services departments and Skills 2007). This can be achieved through the recording and analysis of robust child level data about the needs of an individual child, or group of children, the services provided to meet those needs and the outcomes of those service interventions. Child Level data enables analysis of changes in outcomes over time, making a significant contribution to the knowledge base on outcomes for children with different characteristics or needs receiving different types of services. UK child level data collections, including the SSDA 903 return for looked after children, and the Children in Need (CiN) Census, are internationally recognised as being robust and providing valuable longitudinal data on a number of key variables (Munro *et al.* 2011a). The costs and outcomes programme of research has, however, identified a number of key issues with regards to the recording of data on services. As in Chapter 3, this section of the chapter will use the study to calculate the costs of supporting children in need (Holmes *et al.* 2010) as a worked example to explore some of those key issues.

Previous research undertaken by The Centre for Child and Family Research (CCFR) has demonstrated how routinely collected child level data, such as those gathered for the CiN Census and the SSDA 903 returns, can be brought together with unit cost data, to explore the costs incurred by social care and other agencies of providing different types of child welfare interventions to individuals or groups of children (Holmes *et al.* 2010; Ward Holmes and Soper 2008). Research findings suggest that the best data on services is available where there is a clear relationship between the delivery of a service and a payment for that service, for instance placements provided to looked after children, short break services and direct

payments for disabled children (Gatehouse, Ward and Holmes 2008). Data on *additional services* in the original study to explore the costs of placing children in care was routinely available for the 'primary service' for looked after children, i.e. their placements. Information on the type of service (placement), the service provider fees and allowance payments included in the national statistical return in also all key data items included (SSDA 903). The study to explore England for looked after children (SSDA 903) The study to explore the costs of services to children in need sought to replicate this technique to explore how routine collected data could be utilised to calculate the costs of the services provided to children in need over a given time period, using the Children in Need (CIN) Census (Department for Education and Skills 2000).

The CiN Census was the first attempt to collect data on the numbers of children identified as being 'in need' (Department for Education and Skills 2000) and the services provided to them by local authorities. This was a biennial survey taking a week-long snapshot of the characteristics of children receiving social care services, the activity by Social Care Departments in relation to those children and the associated costs (Mahon 2008; Gatehouse, Holmes and Ward 2008). Prior to 2008, the last national data collection on all children in need was the 2005 CiN Census (Department for Education and Skills 2005). In 2008, the Department for Children, Schools and Families introduced the revised CiN Census to reflect the change outlined in the Children Act 2004 when Children's Social Care and Education Departments were merged into children's services departments. The subsequent revised Census has been designed to gather child level data which will make it possible to improve knowledge of the volume of services being provided to children in need and how patterns of service provision are changing over time. In addition, the Census aims to provide data for the analysis of support pathways of children, in particular those children who move in and out of the care system over time and the patterns of support they receive. The data provided will also make it possible to understand the costs of children in need services incurred by local authorities in order to inform spending and commissioning decisions

at both national and local levels (Department for Children, Schools and Families 2009:3).

Local authorities submitted data for a six-month time period between 1 October 2008 and 31 March 2009 on the numbers of children receiving support, their needs and characteristics, and the types of services delivered. This was the first year of the revised CiN Census and subsequent data collections have been gathered for a 12 month period (Department for Children, Schools and Families 2009). As part of the study to explore the costs of children in need child level data were collected for a sample of 60 children across four local authorities (total sample size 240) for a six-month time frame to align with the 2008-09 CiN between 1 October 2008 and 31 March 2009. Supplementary data were gathered from individual case files (paper and electronic). The initial analysis of the service provision data focussed on how the information had been recorded and categorised for the CiN Census.

Holmes *et al.* (2010) found that it was possible to identify *case management processes* from the data gathered. However, the study also identified that robust and consistent data on the *additional services* identified was more problematic. It was evident from initial analysis of the data that the recording of some *additional services* were unavailable, variable or sometimes insufficiently detailed, inconsistent and sometimes incomplete (see also Ward *et al.* 2008; Gatehouse, Holmes and Ward 2008). The CiN Census was restricted to the collection of data on services provided or funded by local authority social care departments. Although the census collected comprehensive data on social care activity and expenditure, it provided little quantified information on the exact type of services being received, a point raised by the Atkinson Review (2005). Children's social care are now set within the broader structures of children's services departments; at least in theory, these have introduced greater integration of services, often underpinned by joint commissioning and shared funding arrangements. Data recorded on the *additional services* provided to children in need will need to take this into account and collect data not only on social care activity, but also on the activities of other children's services such as education, youth justice and health, that

TABLE 4.1: CiN Census service type categories

CODE	SERVICE DESCRIPTION
Y	Family support (section 17)
Z	Leaving care support (section 24)
A	Adoption support
X	Residence order support
SG	Special guardianship order support
P	Other care and accommodation
D	Disabled children's services - services usually provided by children's trusts, supported by local authorities and primary care trusts to meet the needs that children with disabilities and their families have by virtue of their disability. This includes social care, education and health provision
AI	Aids and adaptations

now work together at both a general and a specialist level to promote the wellbeing of children in need.

Examination of the data recorded as part of the CiN Census suggest that the fields defined by the CiN Census and the management information system within which the data are recorded do not necessarily reflect the range of *additional services* provided to the children (see also Holmes *et al.* 2009; Gatehouse, Ward and Holmes 2008). Workers reported that they are constrained by categories defined by fields in management information systems and in many cases social workers utilise free text fields to ensure the information is being recorded. As such, it was necessary for the research team to gather supplementary data on service provision from free text fields and additional documents such as assessments and plans. While it was possible to carry out this analysis as part of the research study, such an approach is prohibitively time consuming to enter and gather for monitoring and analysis purposes, at a local level and for submission nationally. The design of management information systems, and the administrative burden placed on frontline social care staff to record these data is explored in more detail in Chapter 5.

Where data were available about the *additional services* provided, start and end dates of that provision, along with the frequency and duration of interventions, essential for calculating the costs of provision over time, were inconsistently recorded. Examination of the accompanying case notes showed that in some instances the service start date simply chronicled an event, for example, the transfer of a case between teams. In addition, it was not always clear whether the *additional services* included in case files had been provided or whether they had been identified as part of a plan, but not yet accessed. Furthermore, from the detailed examination of case records, it was evident that the service types categories introduced in the CiN Census were broad umbrella terms which could refer to a number of different interventions (see Table 4.1). It was therefore not always possible to identify the specific type of service that had been provided.

An analysis of the data with regards to the provision of *additional services* may be replicated across a range of other service areas. For instance, a similar analysis of the availability of service data has been undertaken as part of the study to explore the costs and impact of the Common Assessment Framework (Holmes, McDermaid and Padley forthcoming; Holmes, McDermaid and Sempik 2011). As noted in Chapter 1, as the Common Assessment Framework (CAF) becomes more embedded into practice, the thresholds between CAF and social care have become blurred and difficulties have been identified in the recording of services provided under the auspices of CAF. The Common Assessment Framework is designed to be undertaken by any practitioner in any agency, which may not necessarily involve the support or provision of services from Children's Service's Departments. Consequently children who may not be known to social care may be receiving support services as a result of a CAF. Studies undertaken by CCFR (Ward *et al.* 2008; Gatehouse, Ward and Holmes 2008) have found that local authorities have developed bespoke recording systems, but rarely are these linked to social care management information systems. Consequently, at present there is no way of measuring the numbers of CAFs being completed, the services provided as a result of those CAFs and their outcomes. The numbers, and costs, of CAF may well be underestimated. At present there is no universal or systematic system for recording CAFs, and

emerging findings suggest that the number of CAFs being undertaken within localities may be underestimated. This may be rectified by the introduction of National eCAF, a management information system for recording CAF which, at the time of writing, is being piloted across local authorities (Department for Education 2011d).

However, Despite the difficulties identified above it has been possible throughout the research programme to utilise data from both routinely collected sources, such as the SSDA 903 return for looked after children and the CiN Census, along with supplementary data gathered from case files and other sources to examine the costs of additional services for children in need and within other services areas. While the example above demonstrates the problems encountered with identifying the data necessary for including additional services in cost calculations for all children in need, where data have been available it has been possible to include the costs of those additional services in the cost calculations. The following sections of this chapter use worked examples to examine how the costs of additional services can be brought together with the *case management activities* for the processes outlined in Chapter 3 to provide a more comprehensive understanding of the costs of supporting vulnerable children and their families.

### The costs of services

Research evidence suggests that additional services are fundamental to the achievement of good outcomes for children in need, including the maintenance of stability for children previously looked after who have been reunited with their families (Wade *et al.* 2010). The provision of additional services may represent a substantive proportion of local authorities' overall expenditure, and that of other partner agencies (Ward, Holmes and Soper 2008). Moreover, in order to meet the demands of public spending cuts, social welfare policy is taking greater steps towards introducing a more mixed economy approach to service provision, including an increased use of the private sector (Cabinet Office 2011). Therefore, the onus on local authorities to explore how services for children and families can be commissioned from a range of independent and voluntary providers

is likely to increase. The need to develop a more robust evidence base in order to more fully understand the costs of additional services to all vulnerable children and their families becomes increasingly pertinent. Thus, the method outlined in this chapter may be used by both commissioners when procuring services and providers when negotiating with 'purchasers' to introduce transparency and competition into their costs.

As outlined in the introduction to this chapter, Ward, Holmes and Soper (2008) identified that those children with the greatest needs are more likely to receive the most costly services. This finding has been supported by other studies in the programme with regards to the services provided to children in need and to disabled children receiving short breaks (Holmes *et al.* 2010; Holmes, McDermid and Sempik 2010). These studies have found that the children with the most complex needs are likely to require the most costly packages of additional services. Due to the high levels of training, specialist equipment and intensive levels of intervention required for children with the complex health or behavioural needs these services are often the most costly of those provided by children's services departments (Holmes, McDermid and Sempik 2010; Ward, Holmes and Soper 2008). In contrast, some children with lower levels of need may receive less costly but nonetheless essential services (Ward *et al.* 2008). Children's needs are explored further in Chapter 5. Understanding the types of additional services provided to individual children or groups of children and their costs can be used to develop a more comprehensive evidence base to support commissioning and strategic planning.

Given the important role that additional services play in supporting vulnerable children and families, understanding how the costs of these services build up over time and the factors that drive costs is essential to develop a robust evidence base. As with Chapter 2, the remainder of this chapter uses two worked examples. The first, based on the study to explore services to children in need, demonstrates how the cost of additional services can be bought together with the costs of the *case management processes*, detailed in Chapter 3, to show how a comprehensive understanding of costs over time can be obtained. The second worked example, from the study to cost short break

provision (Holmes, McDermid and Sempik 2010) demonstrates how the costs of different types of *additional services* might be calculated using the 'bottom up' method, in order to more fully understand the factors that impact on the cost of services.

#### *Including additional services in cost calculations*

As part of the study to calculate the costs of providing support to children in need, it was possible to link the unit costs of the *case management activities* outlined in Chapter 2 to the child level data gathered for a sample of children in need (as outlined above) to analyse a number of cost case studies to explore the impact of different factors on the overall costs. Costs were calculated over the six month data collection period. Existing unit costs for different types of services from other sources (such as Beecham and Sinclair 2007; Curtis 2010; Holmes, McDermid and Sempik 2010) have been applied to data gathered about additional service provision. Where necessary, the unit costs of different types of services have been inflated to financial year 2010-11 using the inflation index outlined in Curtis, (2010). London and out of London costs were calculated. Using this method, it was possible to calculate the costs of the services provided to Jack (as outlined in Box 4.1 and Figure 4.1 earlier in this chapter). The corresponding service costs are detailed in Table 4.2.

The cost of the *additional services* constitutes 37% of the overall cost of supporting Jack over the six month period. Holmes *et al.* (2010) found that for children with more complex needs, this proportion of overall spend is likely to be higher. The costs of *additional services* constituted between 28% and 65% of the overall costs calculated for the children in the sample. It has been possible to incorporate some of the costs of services provided by other agencies. To fully understand the full costs to the public purse, comprehensive data is required with regards to the provision of services across all child welfare agencies (Ward, Holmes and Soper 2008); this is explored further in Chapter 7.

The costs calculated for Jack include those services provided by social care. As noted above, children in need may receive services

TABLE 4.2: Social care costs of providing case management process and additional services to Jack over a 6 month time period<sup>1</sup>

SOCIAL CARE ACTIVITY COSTS: OUT OF LONDON COSTS				ADDITIONAL SERVICES COSTS: OUT OF LONDON COSTS				
Process	Frequency	Unit cost (£)	Subtotal (£)	Social care services		Frequency	Unit cost (£)	Subtotal (£)
				Service	Frequency			
1 - Initial Contact and Referral	1	191.66	191.66	Family Support	Once a week for 10 weeks.	34.54 <sup>2</sup>	345.45	
2 - Initial Assessment	1	278.89	278.89	Parenting programme	Once a week for 8 weeks.	41.18 <sup>3</sup>	329.42	
CiN 3 – Ongoing support	Six months	192.70	693.79					
Cost of social care case management activity (£)			1,164.35	Cost of service provision (£)				674.87
Total cost incurred by children's social care for Child A during the six month period								£1,839.22

<sup>1</sup> Costs inflated for financial year 2010-11

<sup>2</sup> Unit cost based on a one hour visit and 40 minutes travel time (Holmes *et al.* 2010)

<sup>3</sup> From Tidmarsh and Schneider, (2005) inflated to 2008/09 financial year

from a number of different agencies and providers. It is also possible to include the costs of services provided by different agencies to calculate a more comprehensive understanding of the costs of providing support to vulnerable children and families, as Eva's story demonstrates below.

#### Box 4.2: Eva's story

Eva was referred to social care in June 2008, aged six, due to concerns about her mother's mental health. Although both parents lived at home, Eva's mother was struggling to fulfil her caring duties due to anxiety and depression. These difficulties were also putting a strain on the parents' relationship. Consequently, Eva was assessed as being in need under Section 17 of the Children Act 1989 due to 'family in acute distress'. No additional needs were identified.

During the study time period, the family were in receipt of a number of additional support services. Weekly one to one home visits were provided by a mental health social worker from the early intervention service, a multi-agency support team. The mental health support worker was funded by the Primary Care Trust to address and support Eva's mother. Additional one to one support was offered to Eva's mother for an hour a week by the local authority family support team. The family also attended weekly group sessions at the local children's centre. There were two Child in Need Reviews during the data collection period.

The *additional services* provided by agencies other than social care constitute 47% of the overall costs of supporting Eva and her mother during the six month data collection period. Thus, it is evident that incorporating the costs of *additional services* into cost calculations, facilitates a more comprehensive understanding of the costs of supporting vulnerable children and families to assist in the strategic planning of services provided to all children in need. As services continue to become more integrated, including through interventions such as CAF, understanding the full extent of service provision to children in need will become more pertinent.

TABLE 4.3: The social care costs of providing case management process and additional services to Eva in a six month period

SOCIAL CARE ACTIVITY COSTS: LONDON COSTS				
Process	Frequency	Unit cost (£)	Sub total (£)	
CiN3 – Ongoing support	6 months	192.70	1,156.19	
CiN6 – Planning and Review	2 months	276.23	552.45	
<i>Cost of social care case management activity (£)</i>			1,708.64	

#### ADDITIONAL SERVICES COSTS: LONDON COSTS

Social care services				
Service	Frequency <sup>1</sup>	Unit cost (£)	Sub total (£)	
Family Support	Once a week for 21 weeks <sup>2</sup>	43.63	916.13	
<i>(£) Sub total</i>			916.13	

Services from other agencies				
Service	Provider	Frequency	Unit cost (£)	Sub total (£)
Children's centre stay and play group	Local authority, not social care	Once a week for 21 weeks <sup>3</sup>	14.83	311.49
One to one support from mental health social worker	Health	Once a week for 21 weeks <sup>4</sup>	95.95	2,014.96
<i>(£) Sub total</i>				2,326.45

Cost of service provision from other providers (£)	
<i>Total cost incurred by children's social care for Eva during the 6-month period</i>	£2,624.77
<i>Total cost incurred for Eva during the 6-month period</i>	£4,951.22

<sup>1</sup> Costs inflated for financial year 2010-11.  
<sup>2</sup> Unit cost based on a one hour visit and 40 minutes travel time.

<sup>3</sup> From Tidmarsh and Schneider (2005) inflated to financial year 2010-11.

<sup>4</sup> From Curtis (2007) P116 inflated to financial year 2010-11.

FIGURE 4.2 Timeline for Eva including additional services

### *Calculating the costs of additional services*

The aforementioned study to cost short break services provided to disabled children and their families calculated the unit costs of different types of short break services. The study aimed to identify variations in the costs of those services and the factors that affect those costs. Disabled children are not a homogenous group (McDermid *et al.* 2011; Munro 2011b) and any one local authority may be providing services to children with a wide range of impairments, needs and personal circumstances. For many families, the needs of their child may be complex. These families may require high levels of support including specialist services, professionals with specific skills (such as the use of feeding tubes or communication techniques), or specialist equipment and adaptations to homes or community locations to improve access. Children with the highest level of need may require one to one, or two to one support, either in the home, at groups or residential locations. These services are likely to be some of the most costly delivered by children's services departments. Conversely, some disabled children will require lower levels of service intervention. In some cases their needs can primarily be met through universal services with some additional support provided to help them access that provision. For example, the provision of a worker to assist with lifting in and out of a local swimming pool, or a youth group with a higher staff ratio to account for the disabilities of the children attending may be sufficient for some families to maintain family stability and achieve good outcomes for the child.

In order to meet this diverse range of needs, all local authorities are required to provide a wide range of short break services for disabled children and their families (Department for Education 2011b). As noted above, such a complex assortment of *additional services* may make comparing the costs of different types of services for a particular group of children, such as short breaks for disabled children, equally complex. However, the utilisation of a 'bottom up' methodology enables the variation in costs between different types of services to be identified. The method introduces transparency into cost calculation so that the reasons for variations can be explored in more depth. Consequently, where possible, 'bottom up' costs were

calculated for the short break services provided in the three local authorities participating in the research.

When calculating the unit costs of the various types of short break provision, it was first necessary to identify the types of provision available in the three authorities participating in the study. The research team constructed a mapping template based on a framework developed in an earlier study (Ward *et al.* 2008). The framework was designed to capture comprehensive information in relation to all the short break services that were provided in each authority. A variety of services were identified; each of the local authorities emphasised the importance of responding to local need. As a result the services were wide ranging. However, a number of similarities were identified, which made it possible to identify a set of generic service types for use in making cost comparisons.

For each service, information was gathered about the number of hours that the service was delivered for (including any additional time for travel, set up and set down), the number and type of staff employed to run the service and the number of children attending. Salary and overhead data were gathered in order to calculate the hourly rate for each worker involved in the delivery of the service, using the same methodology as outlined in Chapter 3. The hourly rate was then multiplied by the number of hours each worker contributes to the service. The cost per child can then be calculated by dividing the total cost by the number of children attending. Table 4.3 provides an example calculation to cost an after school club provision for disabled children.

TABLE 4.4: 'Bottom up' calculations of an after school club for disabled children<sup>1</sup>

SERVICE	STAFF TYPE	HOURLY RATE (£)	HOURS OF WORK PER STAFF PER SESSION	COST PER SESSION (£)
Afterschool club	Team Leader	£36.50	½ <sup>2</sup>	£18.25
	Family Support worker	£19.38	3 <sup>3</sup>	£58.15
	Family Support worker	£19.38	3 <sup>3</sup>	£58.15
<b>Total cost per session</b>				£134.55
<b>Attendance</b>				<b>Cost per person (£)</b>
Average Attendance			8	£16.82
Capacity			10	£13.45

<sup>1</sup>. Costs inflated for financial year 2010-11

<sup>2</sup>. This figure includes the management, supervision and planning time offered by the team leader

<sup>3</sup>. This figure includes: 1 ½ hours for the session, 30 mins to set up and set down and 30 mins travel

As Table 4.4 shows the 'bottom up' methodology enables the data to be calculated based on a number of different variables. For instance, this after school club has a capacity of ten children but does not always have ten children attending. The average attendance for the group is eight children per session. It is therefore possible to explore the different costs per child that result from changing attendance levels. This flexibility in cost calculations enables different types of analysis to be carried out to inform planning and commissioning. For example, it may be possible to explore how some services may be made more efficient, through the maximisation of capacity (McDermid *et al.* 2011).

Furthermore, the study identified a range of unit costs within each service type. Most notably, the cost of residential overnight short breaks was found to range from £71.91 per night per child to £383.35 per night per child. In part, these variations were a result of the different salaries paid and overheads levels calculated within

each of the participating local authorities. In addition, the 'bottom up' methodology enabled two key costs drivers to be identified as determining variations in the unit costs of short break provision: the number of staff per shift and maximum capacity. These can be expressed as the 'adult to child ratio'. As noted above, research has found that short break services are delivered to children with a diverse range of needs, and services require some degree of flexibility in order to meet those needs (McDermid *et al.* 2011). The flexibility of the 'bottom up' approach also enables an analysis of services provided to children with different types of needs. Providing a suitable adult to child ratio is essential in ensuring that a high quality and safe service is delivered. Although there are currently no minimum standards for service delivery specifically for short break provision, local authorities and providers operate under the regulations provided for looked after children (McCann 2009), such as the National Minimum Standards for Children's Homes (Department of Health 2002) for residential overnight short break provision. Standard 30.2 of this document, states that providers (including local authorities) must ensure that staffing is sufficient to meet the needs of the children being accommodated. Some disabled children with the most complex levels of need may require an additional worker to be present at a residential overnight short break service to facilitate the best possible care for that child. This may increase the average overall cost for the nights that the additional worker is present. Furthermore, as a result the service that provides residential overnights for children with the most complex needs may have a higher unit cost compared to a provider delivering a comparable service to children with less complex needs and therefore requiring fewer workers. Moreover, as children with different levels of need access a residential overnight short break, the costs of that service may fluctuate over time.

In recognition of the different staff ratios required for children with variations in need, the 'bottom up' approach made it possible to calculate two costs for a number of the residential short break services: a standard cost calculated based on the typical staff ratio; and an enhanced cost based on the provision of one additional worker. The average standard cost for residential overnight provision across the three participating authorities was calculated to be £209.59

compared to £276.37 for the enhanced cost. This approach could be used across a number of services and providers to introduce transparency into cost calculations and to ensure that reasonable comparisons between services can be made.

This example demonstrates the complexity of calculating costs for short break services for disabled children. The 'bottom up' approach enables some of those complexities to be identified and explored. The overhead framework outlined in Chapter 3 is designed to introduce transparency into cost calculations, enabling a more accurate comparison of different types of services. Likewise, a 'bottom up' costing of *additional services* introduces the same level of transparency into cost calculations and therefore help to secure a more robust evidence base for commissioning and planning services. Thus making it possible to understand how the costs of different types of service have been built up and the causes of variations in cost. Such a 'bottom up' method contributes to a more robust evidence base for the planning and commissioning of services (explored further in Chapter 6).

This chapter also demonstrates how the costs of *additional services* can vary according to the needs and circumstances of vulnerable children and families. The influence of children's needs and circumstances on costs are explored further in Chapter 5.

## Chapter 4: Summary

- This chapter highlights the complex nature of both identifying the types of *additional services* provided to vulnerable children and families and recording which services have been provided to them.
- Despite the complexities of recording *additional service* provision, use can be made of routinely collected national statistical data sets to facilitate the calculation of the costs of the services provided to individual children.
- A 'bottom up' approach to calculating the costs of different types of services and those provided to children with different types of need, facilitates transparent and comprehensive analysis of

- Combining costs data on both *case management activities* and *additional services* facilitates an exploration of the proportion of overall costs on the different elements. It is also possible to explore proportions of costs between and across a range of agencies.

## Introduction

The previous chapter discussed the challenges of calculating costs of *additional services* for vulnerable children and families. This chapter looks at methods for calculating the costs of both *case management activities* and *additional services*. Chapter 1, *A brief history of the development of child welfare services*, and the relationship between outcomes of services and the outcomes that can be achieved by improving outcomes for vulnerable children. This chapter also discusses the policy context in England of introducing mandatory child care needs and their impact on the delivery of services for all children. In Chapter 2, *Case management activities*, the relationship between *case management activities* and *additional services* is explored, along with the costs of *case management activities* and the costs of *additional services*.