

Overview of the Cost Calculator for Children Services: Adoption

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Purpose:

This document provides an overview of the Centre for Child and Family Research's (CCfR's) initial work to extend the Cost Calculator for children's Services tool (CCfCS) for adoption in England. It also suggests three ways in which the project could be built on to provide evidence to inform the development of regional adoption agencies¹, and the government's wider adoption reform programme. The Annexes provide flow diagrams of the conceptual framework that CCfR has developed to inform the Cost Calculator for Adoption. They also describe the development of the conceptual framework, methods used and approach to analyses that are currently being applied to the project. The document is written primarily for Department for Education's (DfE's) Adoption Policy Team, CVAA and the Regional Adoption Agency Leads.

Background:

CCfR was commissioned by Coram Family, as part of one of the DfE's Innovation Programme projects², to undertake research and development to extend the CCfCS and its underlying conceptual approach as it might apply to adoption in England. The project is based on the conceptual framework and methods developed as part of a wider and ongoing costs and outcomes research programme established at CCfR in 2000³. A key output of this international programme of work is the CCfCS for looked after children in England. The CCfCS is a bespoke software tool that currently estimates the costs of social care processes and placements for looked after children.

Extending the CCfCS for Adoption - work in progress:

The research team have developed a conceptual framework to map the range of processes that apply to case management and support activities provided to children and families as they move through the adoption process. The Framework includes a draft set of adoption sub-processes which explore the child's journey from care planning and the adopter's journey from the decision to adopt through to placement and then post-adoption support. Annex A includes a summary diagram of the conceptual framework, illustrating the processes and movement between them, these process documents will be reviewed and updated as the project progresses.

The research team are currently conducting focus groups and administering a verification survey in three local authorities to collect time-use activity data from personnel involved in the adoption process. The team are also exploring the nature and availability of child-level data from existing datasets, such as that produced for the Adoption Leadership Board and the Adoption

¹ Department for Education (2015) Regionalising Adoption, for more information go to <https://www.gov.uk/government/publications/regional-adoption-agencies-programme>

² The project is being run by Coram-i. For more information on the project go to <http://springconsortium.com/evidence-learning/how-projects-are-being-evaluated/#f6>. For more information on Coram-i go to <http://www.coram.org.uk/coram-i>

³ For more information on the costs and outcomes research programme, go to <http://www.lboro.ac.uk/research/ccfr/research/exploring/>

Score Cards. These datasets will provide the key data inputs for the CCfCS (more information is provided in Annex B). A 'proof of concept' model will be developed in March 2016 for testing and to allow for the verification of unit costs.

Work is also underway to incorporate the adoption sub-processes into the existing CCfCS tool for looked after children, to facilitate analyses to follow care trajectories and timeframes from the looked after system through to adoption. The CCfCS for adoption that is being developed in the current project will produce a number of reports examining the costs and outcomes of services. These reports will be designed to inform adoption agencies' commissioning, planning and decision making. They will be influenced by the wider work of Coram Family and also based on feedback from the local authorities participating in the initial phase of the research and development.

Extending the CCfCS for Adoption - suggestions for future research and development

CCfR continually works to refine the CCfCS – the Calculator never remains static. The research programme's methods are always being strengthened and re-verified. The data that underpin the Cost Calculator tool are regularly updated, for instance, to take account of changes in the national datasets, such as the SSDA 903 looked after children statistical return⁴. The impact of legislative changes is also taken into consideration. The breadth of the Calculator's analysis of the costs and outcomes of services is also constantly under review to ensure that it is responsive to the sector's needs. The team are therefore keen to build on their early development work for the Cost Calculator for Adoption.

CCfR have identified three ways in which the scope of its current work could, in the first instance, be widened to inform the government's plans for regional adoption agencies, and wider adoption reforms. The project could, for example, be extended to provide much-needed evidence for the regionalisation of agencies by:

1. Exploring the time spent on various activities associated with the adoption process, including an analysis across and between agencies. This could be used to identify potential efficiencies and savings without compromising the quality of services.
2. Comparing the costs of activities undertaken by local authority and Voluntary Adoption Agencies. Adopting a systematic approach, utilising a single costing framework could help to introduce transparency and comparability between different agencies to ensure that 'like with like' analyses are carried out.
3. Exploring the economic impact of different models of Regional Adoption Agencies as they evolve. This could include an analysis of the costs incurred through changes to case work with children and adopters, which are captured through the case management processes. It could also include an analysis of the potential duplications of work and efficiencies that may be possible at an organisational level, through the utilisation or adaption of the overheads framework outlined in Annex C.

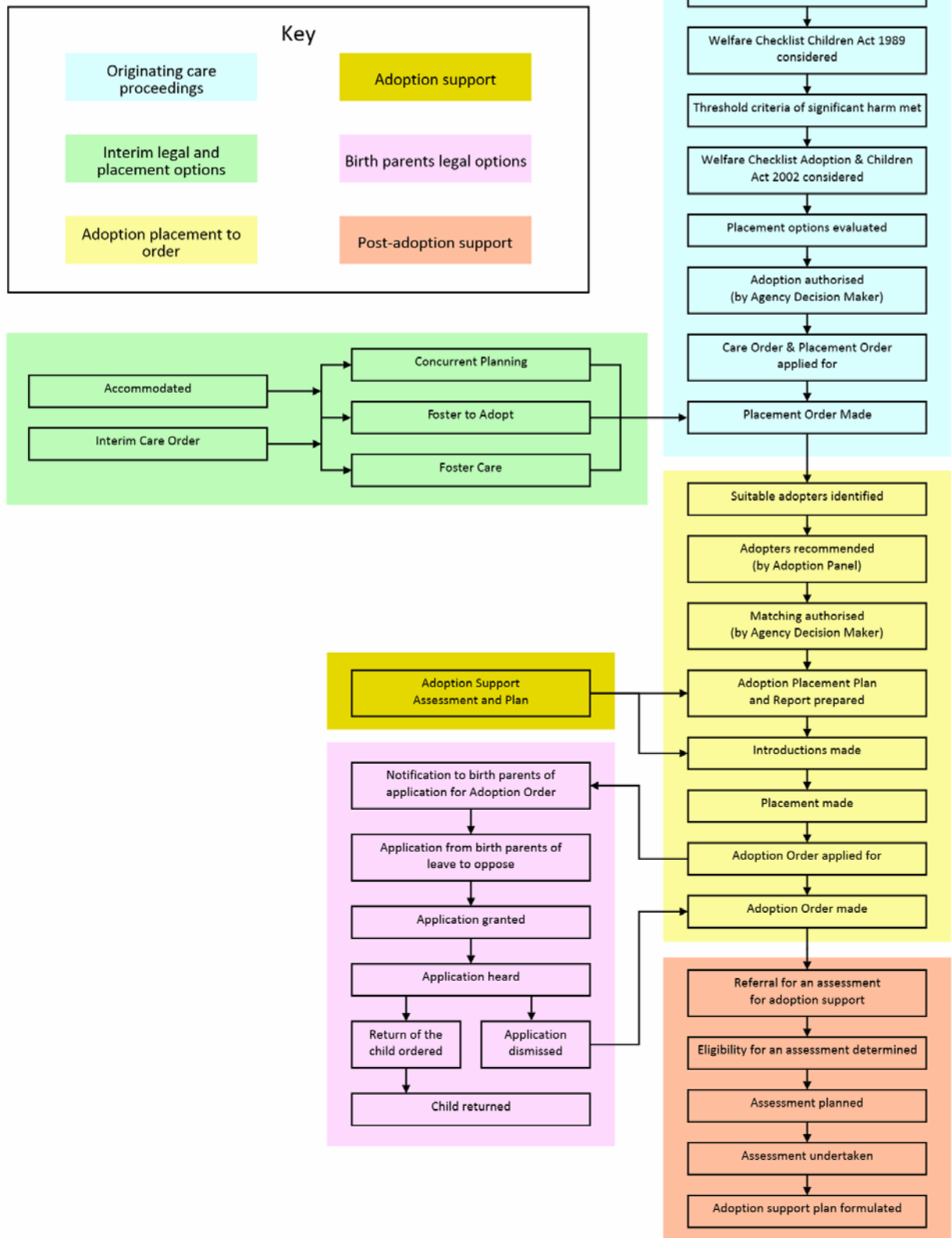
These three aspects are all inter-related and would potentially be informed by the other aspects, as such it is envisaged that the value of the whole would be greater than the sum of the parts.

Lisa Holmes and Sam McDermid would welcome opportunities to discuss these and other ways to develop the Cost Calculator for Adoption with DfE's Adoption Policy Team, CVAA and Regional Adoption Agency leads.

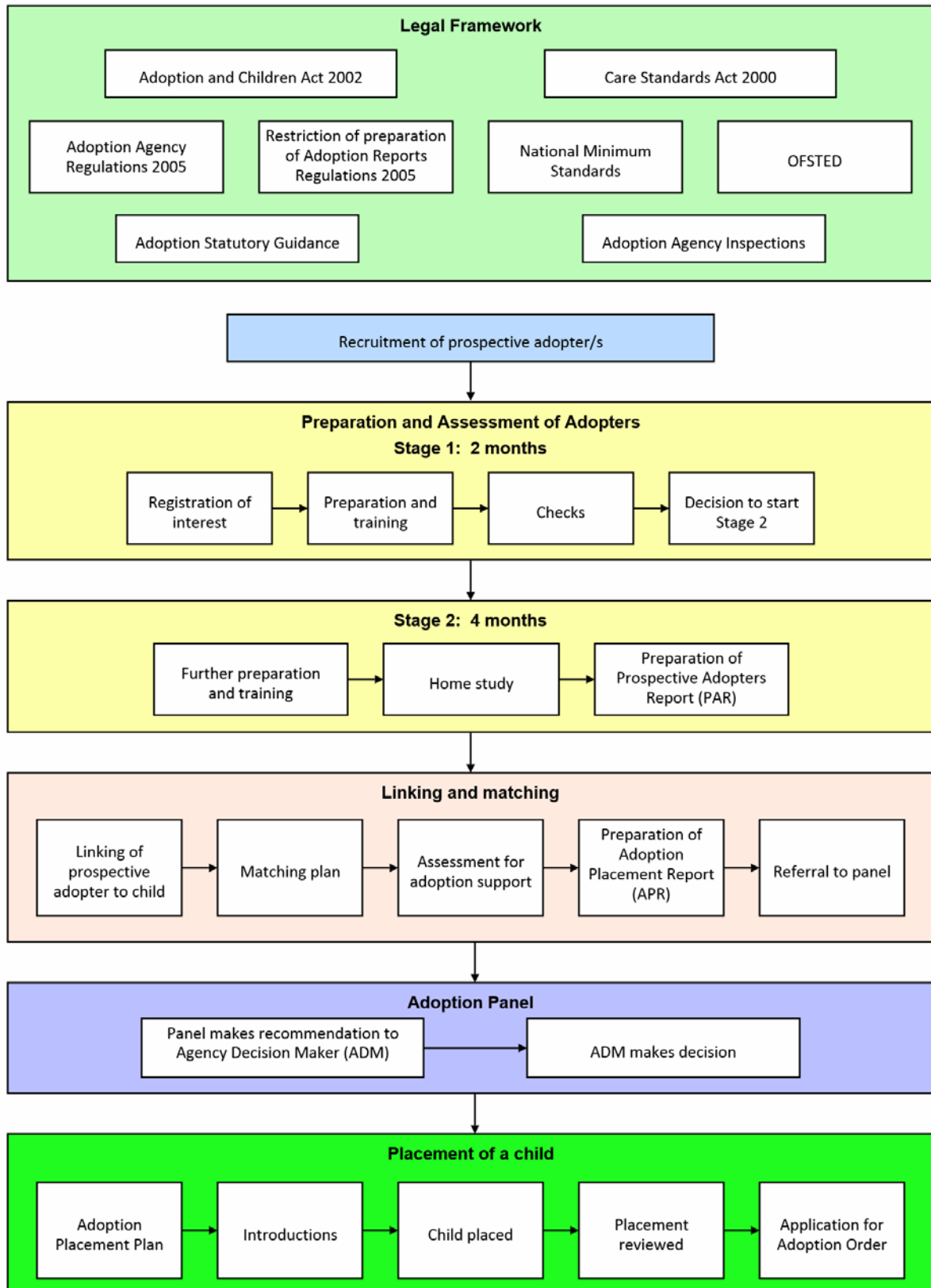
⁴ Further information about the SSDA 903 statistical return and data items is available online: <https://www.gov.uk/government/publications/children-looked-after-return-2015-to-2016-guide>

ANNEX A – ADOPTION FLOW CHARTS AND CONCEPTUAL FRAMEWORK

The Child's Adoption Pathway Chart



Approving Prospective Adopters



ANNEX B - THE UNDERLYING COSTING APPROACH: THE COST CALCULATOR FOR CHILDREN'S SERVICES (CCFCS)

The CCfCS utilises a 'bottom up' approach to estimating unit costs (Beecham, 2000). The 'bottom up' approach identifies the constituent parts that form the delivery of a service and assigns a value to each of these parts. The sum of these values is linked with appropriate units of activity to provide the unit cost of a service (ibid). The approach facilitates the development of a detailed and transparent picture of unit costs and is particularly well suited to children's social care services as it can accommodate variations in costs incurred by an extensive range of interventions offered to children with very different levels of need (see Ward, Holmes and Soper, 2008).

The conceptual framework that underpins the CCfCS makes a distinction between the ongoing case management functions carried out by social workers, family support workers and other social care personnel and the services (such as placements) that are provided to meet specific needs. The overall unit costs that are estimated include both of these elements. Separation in this way allows for exploration of the costs of services and also assessment, case management and decision making costs. One of the advantages of breaking down and then building up the costs in this way is that it is possible to explore how changes to one area of the system impact on another. It is also possible to focus on one element of the system and carry out 'what if' analyses, for example, to explore the cost implications of introducing new practices/protocols, or the introduction of a new service for a specific group of children and/or families.

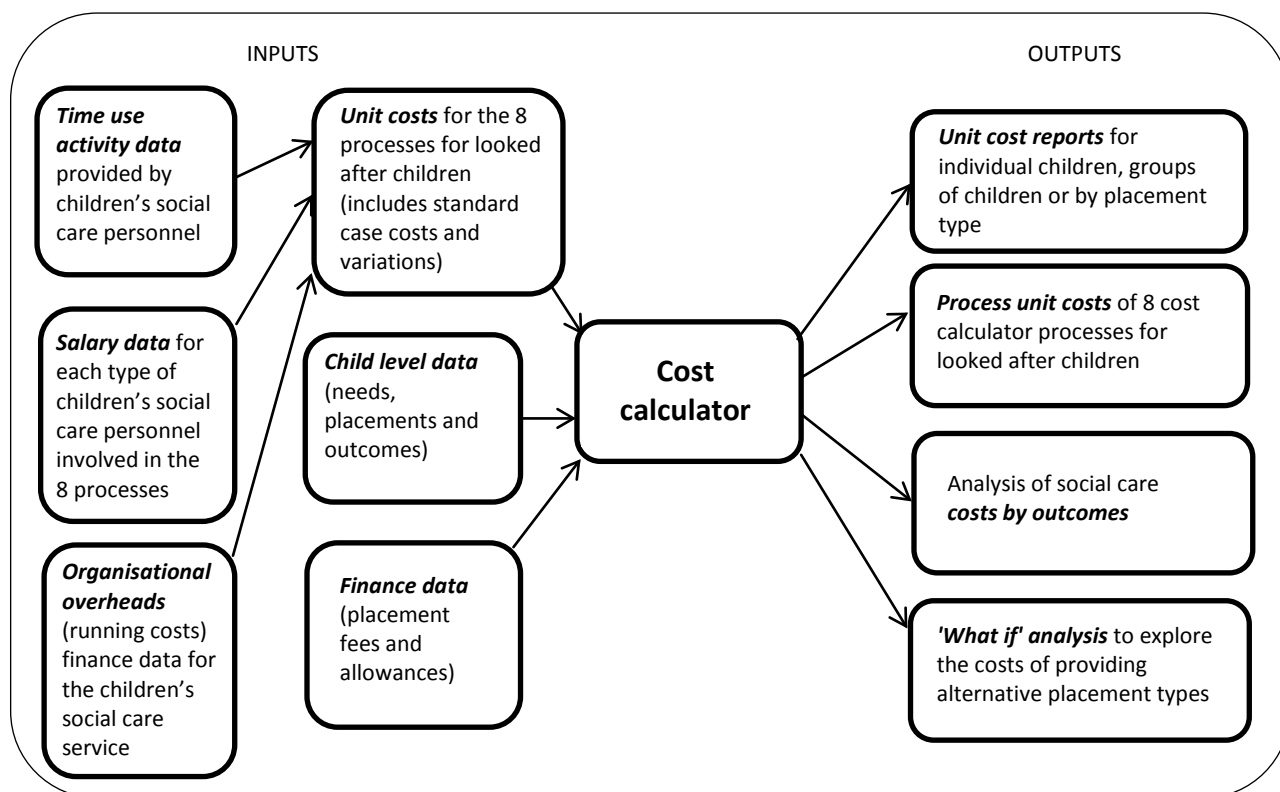
The personnel associated with each support activity or service are identified and the time spent on the activity is estimated. Time use activity data are gathered using mixed methods: focus groups; verification questionnaires; online surveys and event records (diary recording for specific cases). These amounts of time are costed using appropriate hourly rates. The method therefore links amounts of time spent to data concerning salaries, administrative and management overheads and other expenditure.

This approach introduces greater than usual transparency into cost estimations and facilitates comparisons between the relative values of different types of care, making it easier to estimate the potential benefits of introducing a range of alternative packages of care. It is also possible for local authorities to undertake analyses of costs with respect to the outcomes and explore 'hidden' costs, such as the costs of administrative procedures.

The CCfCS tool

The unit costs of the processes are brought together with data concerning placement fees and allowances, management and capital expenditure along with routinely collected data on children's needs, characteristics and placements (using the SSDA 903 statistical return) to estimate the costs of placing looked after children for a given time period. Figure 1 shows the data that go into the cost calculator tool (inputs) and the outputs.

Figure 1: CCfCS inputs and outputs



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The estimations take into account diversity in children's needs, placement type and local authority procedures. This approach allows children to be grouped by type of placement and also according to their needs and outcomes. Different care pathways can be observed and the way in which costs accrue over time can be examined. It is possible to compare these cost patterns for children with particular characteristics, in specific placement types or who achieve specified outcomes.

The costs of management and capital overheads are based on those included in a framework that has been developed with local authorities and Voluntary Adoption Agencies (VAAs). The overheads framework, which can be found in Annex C, has subsequently been piloted and used by the team across a range of other studies and has been utilised to increase transparency and comparability in overhead calculations.

ANNEX C – CODING FRAMEWORK FOR EXPENDITURE ALLOCATION: OVERHEADS

Code 1: Employee

Code main	Main Category	Code sub	Sub-allocation	Comment
1	Employee	1	Payroll including NI and SA	<p>All payroll costs including National Insurance and superannuation of staff in the section or team (includes temporary and sessional staff and support staff).</p> <p>List of staff roles and salary costs.</p> <p>Identify staff involved in management, support and administrative roles (i.e. those not directly involved in service delivery).</p> <p>Estimate the time spent on other activities (e.g. training) of staff who deliver services. Such activities do not include case meetings which are directly connected with service delivery but do include strategic meetings, general team meetings etc.</p>
1	Employee	2	Other Employee Costs - costs associated with staff carrying out their work	<p>Transport and subsistence (how much of this is incurred as a result of travel in connection with cases?).</p> <ul style="list-style-type: none"> • Training and staff development • Mobile telephones • Personal insurance • Membership of organisations and professional bodies • Medical, dental and other fees

Code 2: Client-related

2	Client-related direct payment	1	Allowances	<p>Any allowances or grants paid regularly to clients (total amounts and description).</p> <p>Including travel.</p>
2	Client-related direct payment	2	Start up grants and other payments	Any one off payments (total amounts and description).

Code 3: Agency Function

3	Agency function	1	Professional	Any professional fees and registration charges.
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Code 4: Establishment

4	Establishment	1	Premises - all costs associated with premises and accommodation	<ul style="list-style-type: none"> • Rent • Heating • Lighting • Maintenance • Security • Cleaning <p>Who (cost centre, department etc) is responsible for these costs?</p> <p>How are premises costs apportioned to teams or departments? Is a nominal charge applied?</p> <p>Are costs shared with other sections or departments?</p> <p>If costs / buildings are shared, between how many people?</p>
4	Establishment	2	Running Costs - general office costs	<p>Stationery, telephone (not mobiles), printing, newsletters.</p> <p>Company cars, leasing arrangements and servicing costs (how are charges levied, e.g. is a nominal charge made or are individual costs met?).</p>
4	Establishment	3	Central Services	<p>Costs paid for corporate services such as HR, IT and payroll administration.</p> <p>Is a nominal or standard charge levied? or...</p> <p>How are central services costed?</p> <p>What is the total cost of services?</p> <p>For how many individuals/teams are the services provided?</p> <p>Organisational chart of department/section.</p>
4	Establishment	4	HQ Management - costs of senior management not included in budget	<p>What is the overall management structure?</p> <p>Are nominal charges for management services levied?</p> <p>Organisational chart of department/section.</p>

Code 5: Other

5	Other	1	Any other items paid out but not listed above	All other costs, small team budgets.
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