

## Economics of Child Social Care

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There is no doubt that since the inception of the Economics of Child Social Care research programme in 2000, children's social care services have been subject to national and local policy changes that will have large and long-term impacts. The change in central government responsibilities from the Department of Health to the Department for Education and Skills signalled a desire to integrate child social care more closely with early years and other education services. Locally, the creation of Children's Trusts and Directors of Children's Services has meant that closer links will be made with both the health and education sectors. Under these arrangements, there are explicit requirements for joint service funding and provision that in turn will help provide multi-agency care packages to support children and families. However, the evidence base for the National Service Framework (NSF) for Children was found to be almost devoid of information on the costs of supporting children and families.

### Children in Need

This research programme started when there were considerable concerns about rising costs in child social care but little knowledge about how much children cost to support, or why costs might vary. The national Children in Need (CIN) Surveys provide information on how social services spend their money on children by linking expenditure on accommodation, day supports and social work services to allow local authorities to see how much they spend on groups of children in need – both those looked after (CLA) and those who are supported in their families or independently (CSF/I) – rather than how much they spend on services. Our secondary analysis of the CIN 2001 data aimed to look at *why* social services costs per child might vary. What factors were associated with higher costs? Were these within, or outside, the local authority control?

Box 1 shows that certain child characteristics and needs did indeed raise costs, but over and above the impact of these measures, two findings are important. The first of these is that few factors at the authority level exerted any additional influence on costs, including quality indicators from the Performance Assessment Framework, management and staffing levels, the balance of CLA and CSF/I, and social conditions in the authority. Expenditure was higher in some authorities, most notably in London, associated with high labour costs, and possibly for children in smaller authorities, perhaps an 'economies of scale' effect. Second, the proportion of variation that could be (statistically) explained was quite low at around one-

#### Box 1 Influences on costs

##### Social services costs per child week are higher for

- Children with socially unacceptable behaviour (CLA)
- Children from low income family or who parents are absent (CSF/I)
- Older children and babies under one year
- Boys are slightly more expensive than equivalent girls
- White, non-British; Black African and mixed African White (especially for CSF/I)
- Children on the Child Protection Register
- Children receiving post-adoption support
- Asylum-seeking children

Costs are **lower** for disabled children who are supported in their families compared to their non-disabled peers, particularly those without behavioural problems

## Further information

A report of the messages for commissioners and managers from research completed under the Department of Health *Costs and Effectiveness of Services to Children in Need* programme is currently being written by Ian Sinclair and Jennifer Beecham.

third. Authorities are clearly making choices about how they spend their money, but is such a high level of unexplained variation warranted? Is there scope for learning from other authorities about how spending might better meet the needs of children and families in the area.

### Child mental health

Current policy advocates working with other agencies as a means of meeting children's needs better; access to mental health services for children who are supported by social care services is often seen as difficult. Recent work confirms that relationships between these organisations are far from easy (PRB and PSSRU, 2005). Around two in five children entering the child protection system were found to have clinically concerning levels of emotional and behavioural needs but there were both organisational and cultural barriers to accessing mental health support. Only a third of social workers felt they had good levels of knowledge about local child and adolescent mental health (CAMH) services. They often felt they were treated as 'poor relations' of CAMHS staff. They also often saw mental health services as a free resource yet CAMH services in the same areas reported considerable resource constraints. CAMH staff felt that referrals from social care services were not always appropriate for treatment, or that treatment would be difficult where there were unstable family circumstances.

### Families with disabled children

Provision of key-working services for families with disabled children is also high on the policy agenda. Part of the key working task is to liaise with and coordinate services across agencies with social care, education and health all having important roles to play in supporting such families. Multi-agency funding for key-working services would therefore seem sensible. In a 2002 UK-wide survey, 30 schemes providing key-workers to families were found (Greco et al., 2005). Although all three agencies were involved in setting up and over-seeing more than two-thirds of the schemes, three-way joint funding was found for only eight, with two agencies jointly-funding a further ten schemes. However, in many schemes 'donated' staff from other agencies undertake key-working so there are higher levels of joint-provision than the balance sheets show.

### Need for further research

Demands for information about the costs of supporting children and the way services are jointly funded and provided certainly will not disappear in the new policy environment. Here we report some broad findings from just three of the projects in this research programme. Other projects have explored cost-related issues around support for foster carers, education and care services for adolescents, the provision of home-based support for young families, and transition for disabled young people. (Evaluations of CAMH services are closely linked through research at the Centre for the Economics of Mental Health, Institute of Psychiatry, London.) Recently completed research will make a significant contribution but there is still much that an economic perspective can offer to meet the evidence requirements of the NSF in improving access to services for families and their children, better commissioning across agencies and the operation of markets, closer matching between needs and support, measuring progress within the new outcomes framework, and evidence on the cost-effectiveness of interventions for children.

## References

Greco, V., Sloper, P. Webb, R. and Beecham, J. (2005) *An Exploration of Different Models of Multi-Agency Partnerships in Key Worker Services for Disabled Children: Effectiveness and Costs*, Department for Education and Skills, London.

Policy Research Bureau, London and PSSRU, University of Kent (2005) *Meeting the Mental Health Needs of Children in the Child Protection System*, draft final report to the Department of Health. Contact: [admin@prb.org.uk](mailto:admin@prb.org.uk)