

North West Expanding Foster Care Consortium

Support Care Cost Benefit Analysis

March 2015



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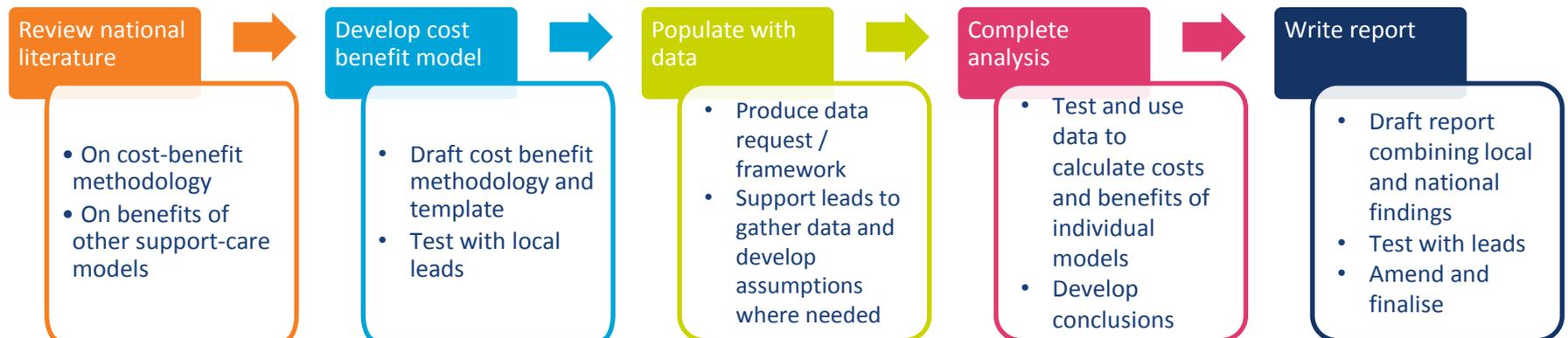
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PROJECT CONTEXT, AIMS AND APPROACH

In December 2014, the North West Expanding Foster Care Consortium (NWEFCC) commissioned iMPower to complete a rapid cost-benefit analysis of edge of care (“support care”) services delivered by three of their member councils: Blackburn & Darwen, Stockport and Wirral. The aim of this project is to determine the financial benefits of these services, and therefore help members of the consortium make informed decisions about expansion and/or investment in similar models. Wider benefits- such as improved outcomes for children and families, that may well be realised through keeping children out of care, have not been included in the scope of this analysis

This report sets out the methodology of, findings and conclusions from the cost-benefit analysis exercise. It also contains appendices citing the key data sources, assumptions and caveats used. A further excel worksheet has been provided with detailed workings and original data. The report is based on an approach formulated with, and on information and explanations provided by, NWEFCC.

On agreement with NWEFCC, a five-stage, collaborative approach was used:



SUMMARY OF FINDINGS

Limitations of the analysis

It is important to highlight that, due to the availability of data within the project timeframes and because savings calculations are based on counterfactual outcomes without randomised control trials, a number of averages, assumptions and estimates have been applied to which the outcomes are sensitive. Key items include (but are not limited to):

- The proportion of children receiving support care that would have entered care without the support care intervention, which is estimated based on service manager understanding combined with available data
- The placement type that these children would have required (e.g. in-house foster placement, external residential placement), projected based on service manager understanding and the profile of existing placements in the authority
- The length of time that these children would have spent in care, which is based on averages for existing placements within each authority / nationally
- The costs of overheads (service and corporate) associated with support care costs and placement costs, which has been estimated by finance managers
- The costs of 'wrap-around' services that are delivered alongside support care, the identification of which are reliant on service manager awareness
- In Wirral, the proportion of service users prevented from entering care, which is based on service manager projections as interventions are yet to be completed

A detailed list of the assumptions and caveats are contained in the cost-benefit methodology slide and in supporting workbooks provided with this report.

SUMMARY OF FINDINGS

The cost-benefit of support care

LA	Cost of delivering support care per year	Unit cost of delivering a support care intervention	Proportion of children that would otherwise have entered care	Proportion of those cases prevented from care	Average cum saving per LAC episode prevented	Total cumulative net prevented costs from delivering one year support care*	Return on investment ('RoI')
Blackburn & Darwen	£442,948	£8,054	50%	89%	£222,039	£5,395,444	1,117%
Stockport	£277,400	£3,963	50%	48%	£63,929	£965,752	348%
Wirral	£33,895	£1,694	70%	57%	£54,446	£435,568	1,185%

* Some benefits also achieved through working with existing LAC cases to reduce placement needs

The support care models delivered in each authority appear to have a significant cost-benefit. The RoI as defined ranges from 348% to 1,185%. The cost-benefits are driven by:

- The significant differential between the one-off cost of support care and the equivalent cost of a LAC episode
- Effective targeting of these services at the 'edge of care': 50-70% of cases were estimated to otherwise have entered care
- The effectiveness of the interventions: in Stockport and Blackburn & Darwen, completed interventions have resulted in 74-88% of children who would have entered care, being prevented from entering care

Despite the limitations described in the previous slide, confidence in these findings is perhaps increased by:

- The consistency of positive results, despite individual analyses being completed for each authority
- The similarity of these findings with other national studies (see national support care review findings slide)
- The quality of outcomes data available in Blackburn & Darwen and Stockport
- The use of what NWEFCC considers a conservative methodology and assumptions, with data being tested and validated by service managers and finance colleagues in each authority

RECOMMENDATIONS

Based on the analysis in this short report there are three recommendations for the authorities involved in this study, other members of the North West Consortium and other authorities across the country:

1. Where necessary, authorities involved in the study should further validate these findings by addressing the limitations described. This will include gathering further evidence to support the assumptions on the proportion of support care cases that would otherwise have come into care, and more detailed analysis of the overheads associated with support care
2. Subject to the above, authorities involved in this study should consider the opportunity to expand their support care models in order to increase the benefits to the authority. This should include learning from each others' delivery models and national good practice, and be supported by a clear understanding of the potential wider cohort and a business case.
3. Other authorities in the Consortium and across the country should consider establishing a support care service based on effective elements of the models described in this report, in order to reduce the costs of children in care provision.

NATIONAL CONTEXT OF SUPPORT CARE

- Support care is a type of fostering arrangement that has been in operation since the 1990's
- The model was developed to meet the needs of families that were in crisis but where additional support and a short break could avert breakdown
- It was developed by local authorities across England and Wales, and has been promoted by the Fostering Network
- To date a range of authorities and agencies have their own Support Care models, with around 40 to 50 in operation by 2011
- The most comprehensive outlines of the model and its outcomes are:
 - The Fostering Network Wales Policy and Procedures Guidance
 - The Fostering Network Wales unit cost comparison undertaken by the University of Loughborough's Centre for Child & Family Research
 - A qualitative case study of long-term outcomes of support care has been undertaken by Cardiff University



Support Care Key Features

- Preventative intervention to avoid family breakdown
- Flexible and tailor-made to suit family circumstances
- Short breaks away from home, can be daytime, evening, overnight or weekend breaks
- Breaks tend to be planned
- Breaks tend to be time-limited
- Combined with family support work

NATIONAL SUPPORT CARE REVIEW FINDINGS

Summaries of the two academic research papers reviewing the support care model nationally are provided below:

Unit Costs of Support Care

*Centre for Child & Family Research
University of Loughborough ('CCFR')*

- Using a 'bottom up' unit costing approach, the paper compared the costs of all the support and services received by an individual child in a traditional fostering placement, compared with a support care placement, in two case study examples
- In the case of a single child, CCFR estimated the annual cost of a support care placement at just over £10,000, compared with an annual LAC cost of over £45,000, making **LAC costs over four times higher than support care costs**
- In the case of three children from a single family, the annual cost of a support care placement were estimated to be just over £14,000 compared with an annual LAC cost of over £128,000, making **LAC costs nine times higher than support care costs**

A Qualitative Case Study of the Support Care Intervention

Cardiff School of Social Sciences, Cardiff University

- The study followed 10 support care placements in three different authorities across England and Wales, for their duration. It involved semi-structured interviews and participant observation
- The paper assessed support care placements against the objective of keeping troubled families together
- At the conclusion of the 10 placements, 8 families remained together, suggesting that the support care model was effective in the majority of cases
- It found that support carers undertook a variety of roles, including: mediator, role model, child minder, teacher, advocate, friend, monitor
- It identified additional goals or objectives that were met through support care placements as: temporary relief from material / social hardship, supporting parents and / or improving parenting, monitoring family functioning / well-being of children, and supporting children's development / behaviour

NORTH-WEST SUPPORT CARE MODELS

The three models assessed as part of this report all fit into the category of ‘support care’ models: providing support to those on the edge of care through short breaks and related services. There are significant variations between service models and history, as outlined below:

LA	Support care model overview	History
Blackburn & Darwen	Residential unit (Lytham Road) providing: <ol style="list-style-type: none"> 1. Short term intensive support – time limited intervention over an assessed twelve weekly review period. 2. Long term minimal support – this is not time limited but will be reviewed to assess the effectiveness of the intervention 3. Short Breaks (Friday – Monday inclusive) – this should be planned but emergencies can be accommodated due to the provision of an emergency bed 4. Long term Foster Carer Support Cases worked with in 2013/14: 68	In operation since 2006
Stockport	<ul style="list-style-type: none"> • Children aged 0-17 years with and without disabilities (disabilities service not included in analysis) • Aimed at families on edge of care, provide a breathing space during a time of crisis • Day support placements, delivered by foster carers, usually involve one or two visits a week but may be as little as once fortnightly depending on what is required to meet the family’s needs. • Overnight placements usually involve two overnights a month and may sometimes include some day support in addition to this • 2013/4 cohort size of 84 	Set up in 2001
Wirral	<ul style="list-style-type: none"> • Children/young people normally only spend a weekend a month or an evening a week with a support carer (skilled foster carer) • Placements are planned and specific end dates set • Carers must work with the parents/main carers as well as the children and other professionals, to achieve the specific outcomes • In all circumstances, the child’s parents remain central to the promotion of health and education, even if the outcomes are related to these aspects of a child’s welfare 	Recently set up as part of fostering service

STOCKPORT INVESTMENT APPRAISAL

Key figures				
Total cost to the authority of delivering support care (per year)	Average unit cost of delivering support care intervention	Headline prevention rate - % of non-LAC cases who would have entered care, and didn't	Total gross saving per LAC placement avoided (cumulative)	Support care ROI
£277,400	£3,963	47%	£205,799	348%

Cost of delivering support care

- The budget for the support care service is £202,000 p.a.
- When combined with overheads, process costs and additional costs of delivering wrap around services to these children, the cost rises to £277,400 p.a.
- On average this covers interventions with 70 children / young people
- This equates to an average unit cost of £3,963 per case (although there will be a significant range of costs for each individual case)

Cost of alternative

- Service managers have estimated that 50% of the support care cases that weren't LAC would otherwise have become LAC
- Managers have assumed that the majority of these would have required in-house or agency fostering placements
- The blended average cost of in-house and IFA placements in Stockport is £19,516 p.a.
- The average length of care placement in Stockport is 3.2 years
- When the process costs of referral, assessment and closure are taken into account, this indicates the average saving per LAC placement avoided is £63,929

Effectiveness of support care

- Between Apr 2011 and Mar 2014, 189 interventions have been completed, of which 15 were for LAC
- Only 35 (20%) of non-LAC cases have since become LAC
- 4 of the cases that were LAC (27%) have been supported back home
- A prevention in escalation of placement requirement occurred in 5 (33%) of the LAC cases
- Taking into account the average length of time of care episodes, this equates to a net subsequent (cumulative) saving of £965,752 for each scheme year delivered
- The return on investment from support care funding is therefore calculated at 348%

BLACKBURN AND DARWEN INVESTMENT APPRAISAL

Key figures				
Total cost to the authority of delivering support care (per year)	Average unit cost of delivering support care	Headline prevention rate - % of non-LAC cases who would have entered care, and didn't	Total gross saving per LAC placement avoided (cumulative)	Support care ROI
£442,948	£8,054	89%	£222,039	1,117%

Cost of delivering support care

- The budget for the support care service is £394,400 p.a.
- When combined with overheads, process costs and additional costs of delivering wrap around services to these children, the cost is estimated at £442,948 p.a.
- On average this covers interventions with 55 individual children / young people p.a., when re-referrals are taken into account
- This equates to an average unit cost of £8,054 per case (although there will be a significant range of costs for each individual case)

Cost of alternative

- Service managers have estimated that 50% of the support care cases that weren't LAC would otherwise have become LAC
- Managers have estimated that the these would be placed in a mix of placements: in-house fostering (35%), IFA (23%), internal (21%) or external (21%) residential
- The costs of these placements range from an average of £23,000 p.a. (in-house fostering) to £161,000 p.a. (external residential)
- There is also an estimated £2,000 cost of referral and assessment per episode
- Managers have estimated that the average length of a care episode for this cohort would be three years

Effectiveness of support care

- Between November 2006 and March 2014, 561 children / young people have received the service. Of these 47 (8%) have been re-referred to the service due to needs re-escalating
- Only 32 (6%) of these have since been taken into care by the authority
- Given the proportion (50%) that were set to come into care without this intervention, this means that 26 care episodes are prevented
- Given the placement types and costs that would have been required for these, and the average length of time of a care episode, this equates to a subsequent (cumulative) net saving of £4,948,496.
- The ROI of support care investment is therefore 1,117%,

WIRRAL INVESTMENT APPRAISAL

Key figures					
Number of children in receipt of support care to date	Projected total cost of delivering support care for this cohort	Average unit cost of delivering support care intervention	Headline prevention rate - % of non-LAC cases who would have entered care, and won't	Total gross saving per LAC placement avoided (cumulative)	Potential support care ROI
20	£33,895	£1,694	57%	£54,446	1,185%

Cost of delivering support care

- To date, 20 children (10 families) have received support care in Wirral.
- Whilst none of the interventions have been completed, based on projected end dates the average length of intervention is expected to be 5.72 months.
- The cost of the activity projected to be delivered within this time is £1,694 per child (£33,895) for the whole cohort, including overheads
- This also includes wrap around services (e.g. family support) delivered alongside support care

Cost of alternative

- Placement costs in Wirral range from £1,278 per month (in-house fostering) to £8,333 per month (external residential)
- A case review suggested that 70% of children in receipt of support care would otherwise have been taken into care
- The majority of these would otherwise have been placed in foster placements. The average placement cost per child per month of the care alternative was therefore calculated at £1,974.
- Taking process costs and overheads into account, the total cost of a care episode alternative is £54,446 per child (assuming the average placement lasts two years)

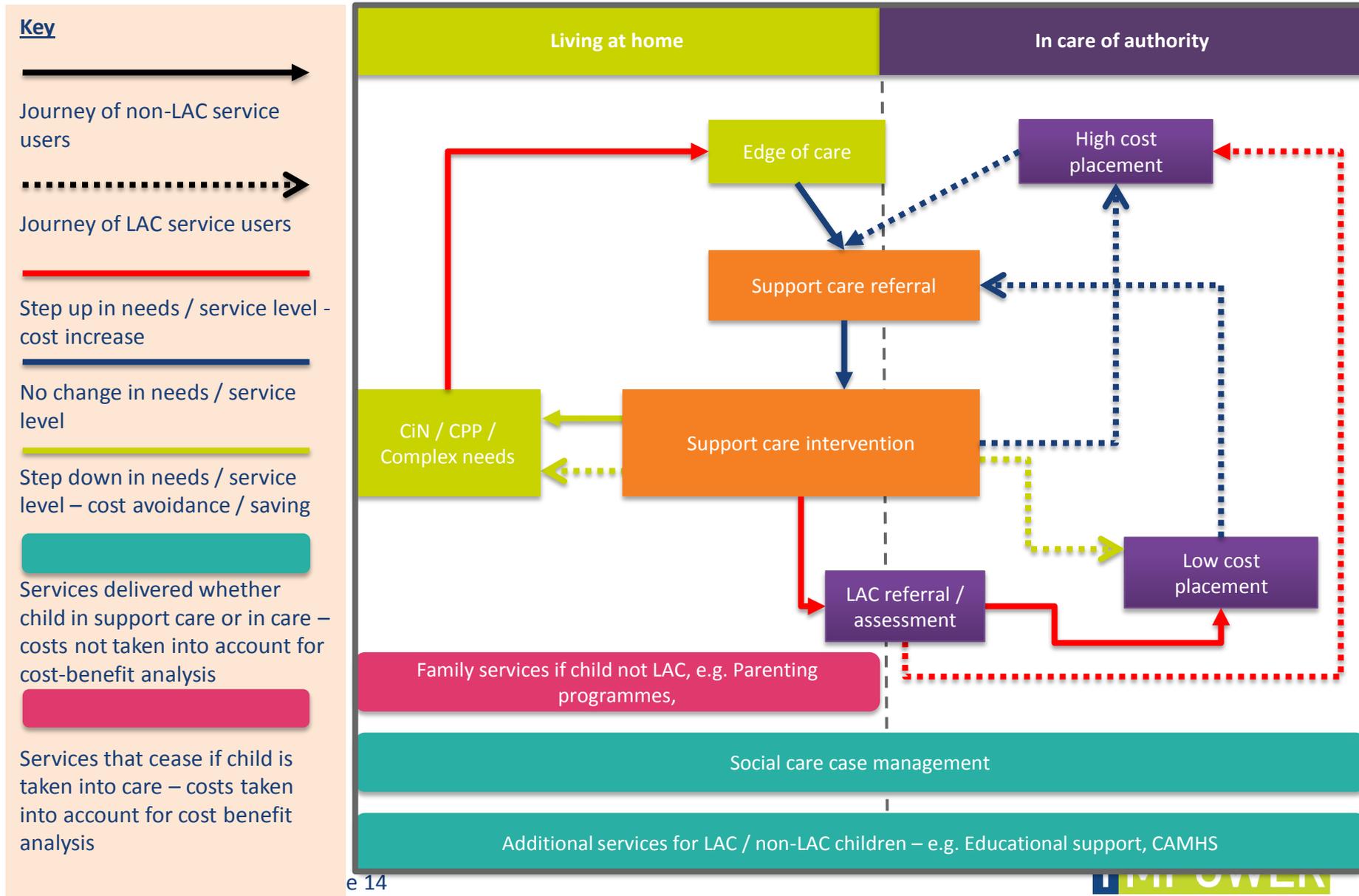
Effectiveness of support care

- Currently 50% of children receiving support care are still at risk of entering care
- The service manager has projected that once interventions are complete, the proportion of those that enter care will drop to 30%
- Taking into account the proportion (70%) that would have become looked after without an intervention, this would mean that 8 care placements are prevented
- This would equate to a total gross saving of £435,568
- Given the cost of delivering support care (£33,895), this would mean a return on investment of 1185%,

COST BENEFIT METHODOLOGY

Stage	Stockport and Blackburn & Darwen	Wirral	Major caveats / assumptions
Calculate costs of providing support care	<ul style="list-style-type: none"> Identify aggregate yearly costs for the service, including management and corporate overheads, referral, review and closure processes and services that would not be commissioned if the child or young person was accommodated Divide by number of service users per year to establish unit cost 	<ul style="list-style-type: none"> Understand and cost activity undertaken with each case, including additional supports Add overheads to calculate total cost 	<ul style="list-style-type: none"> Overheads have not been forensically calculated – manager estimates used Identification of wrap around services / costs reliant on managers viewpoints – no data available Where an average, top-down unit cost has been used this doesn't show the wide variation of costs between cases
Establish costs of care accommodation	<ul style="list-style-type: none"> Establish local monthly placement costs (by placement type or average) Multiply by average number of years per care episode Add process costs of of referral, assessment and case closure for LAC 		<ul style="list-style-type: none"> Cost benefit very sensitive to the data on number of years in care – best estimates / figures used Process costs based on national costs
Determine likelihood of support care users otherwise entering / remaining in care	<ul style="list-style-type: none"> Identify evidence of status and future journey of child before support care intervention Develop conservative assumptions with service managers as to proportion otherwise destined for (continued) care placement 		<ul style="list-style-type: none"> Dependent on service manager views and estimates as this is counterfactual
Establish effectiveness of support care intervention	<ul style="list-style-type: none"> Review outcomes data for completed support care cases 	<ul style="list-style-type: none"> Identify current and projected status of service users 	<ul style="list-style-type: none"> Wirral analysis dependent on projected outcomes as cases not yet completed
Calculate cost-benefit	<ul style="list-style-type: none"> Calculate impact based on outcomes vs. likelihood of requirement of alternative Calculate benefit based on cost of alternative Subtract / divide by cost for net benefit / ROI 		

SUPPORT CARE OUTCOMES AND BENEFITS MODEL



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iMPOWER's work is based on the approach requested, and information and explanations provided by NWEFCC and did not include validation. It does not therefore not express any form of assurance.

Furthermore, iMPOWER's work in facilitating this cost-benefit analysis does not constitute any legal opinion or advice.

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