



## Cost Calculator for Children's Services (CCfCS)

### Overview October 2019

#### Background

The CCfCS is a software tool<sup>1</sup> that was developed as part of a research project to explore the relationship between needs, costs and outcomes of services provided to looked after children. This initial study subsequently led to the development of a sustained research programme using both the underlying methodology and/or the CCfCS tool. The research programme was carried out by a team of academics at the Centre for Child and Family Research at Loughborough University between 2000 and 2017, the work has now moved to the Rees Centre at the University of Oxford. The CCfCS utilises a 'bottom up' approach to estimating unit costs (Beecham, 2000)<sup>2</sup>. 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.

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 CCfCS tool

The CCfCS makes use of a range of data: unit costs 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

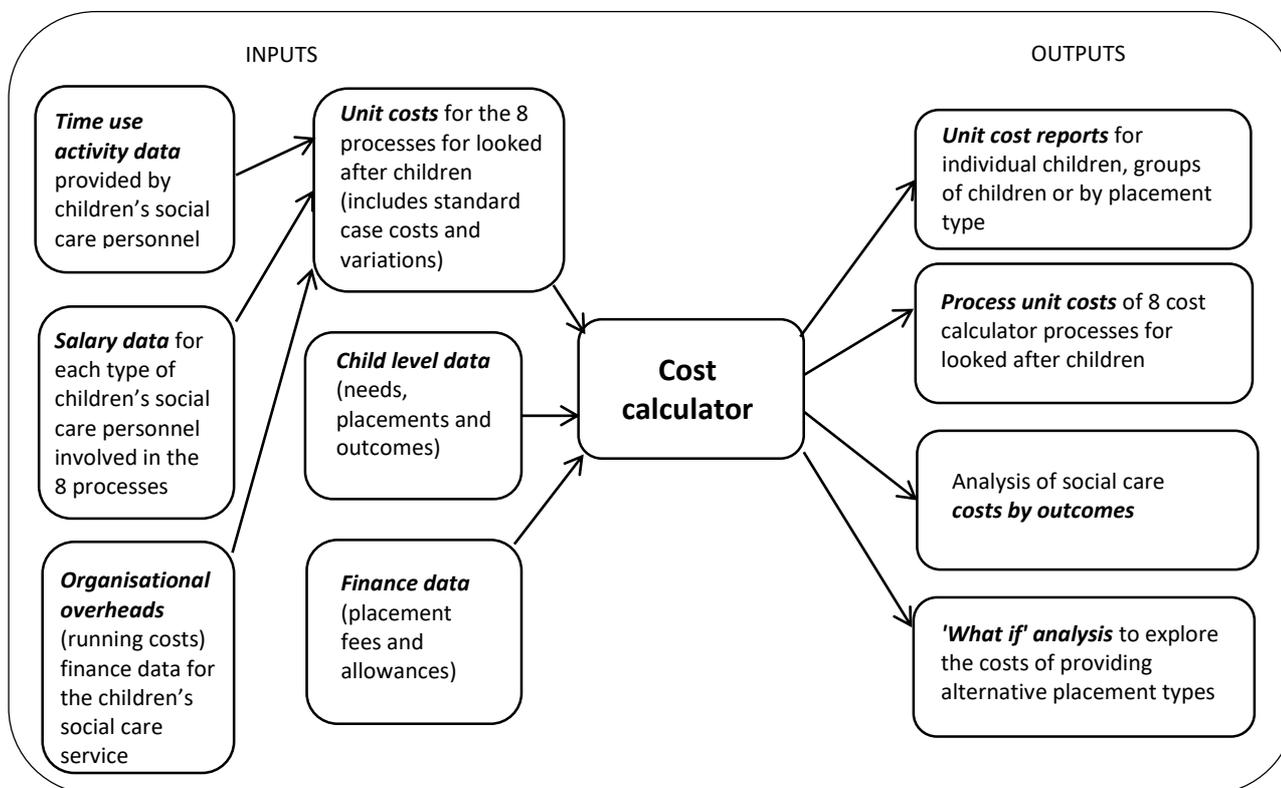
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<sup>1</sup> The tool is provided as an Access database and all the reports are produced in Excel.

<sup>2</sup> Beecham, J. (2000) Unit Costs: Not exactly Child's Play, London: Department of Health

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**



All of the data inputs can be customised by local authorities, the level of customisation is determined by the local authority, obviously, higher levels of customisation improve the accuracy of the outputs. Customisation can also be iterative; not all customisation has to take place at one point in time.

The reports and outputs are produced in Excel and can then be used for further analysis or to visualise key insights with graphs and charts. We have found that some of the most useful reports are those that provide a longitudinal analysis of children and young people's pathways, for example to examine pathways in and out of care. It is possible to import data from multiple years into the CCfCS. To date the longest time frame we have imported is six years of SSDA 903 data. The tool can also provide insights in relation to small cohorts of particular interest (e.g. the highest cost, most complex children and young people) and support 'deep dive' practice audits and financial tracking. The analyses that are produced are also intended to help to inform commissioning, strategic and budget dialogues.

### Implementing the tool

The CCfCS tool is provided with a user guide, unit cost spreadsheets (in an Excel workbook), and an import mechanism for the child level data, so that manual data entry is not required. The import mechanism has been developed to import SSDA 903 data in the XML or CSV files, in the format they are provided to the Department for Education. If a local authority collates the SSDA 903 data more frequently than annually, in the aforementioned formats, then these can be imported into the CCfCS more frequently. No further data

manipulation or preparation is required. The implementation of the tool and the import of the data usually only takes a couple of hours, and IT support can be provided, if required (although a number of local authorities have implemented the tool and imported the data without any support).

We encourage local authorities to enter their own salary data, this is a nominal task, and the unit costs are automatically updated in the Excel workbook. We can provide a framework and guidance to customise organisational overhead figures, or existing local authority overheads estimates can be used. Data related to placement fees and allowances is already included in the CCfCS, based on national figures, these can be customised by the local authority, based on fees and allowances that are paid for placements. Dependent on the format and availability of the finance data the fees and allowance data can either be based on averages for certain types of placements, or providers, or can be customised to the level of payment paid to a specific placement/carer.

### **Working with the Rees Centre team**

Now that the CCfCS and the associated research programme has moved from Loughborough University to the Rees Centre, University of Oxford, we are seeking partnerships and collaborations with local authorities to make the best use of the research and the tool. We anticipate that these will lead to reciprocal working that benefits local authorities and also helps us to further develop the research and tool. The structure and focus of these will vary dependent on the requirements of the local authority.

### **Further reading**

Holmes, L., Landsverk, J., Ward, H., Rolls-Reutz, J., Saldana, L., Wulczyn, F., and Chamberlain, P. (2014) Cost calculator methods for estimating casework time in child welfare services: A promising approach for use in implementation of evidence-based practices and other service innovations *Children and Youth Services Review*, 39, 169-176.

Holmes, L. and McDermid, S. (2012) *Understanding costs and outcomes in child welfare services*, London: Jessica Kingsley Publishers.

Holmes, L. and McDermid S. (2013) How social workers spend their time in frontline children's social care in England, *Journal of Children's Services: research informing policy and practice* 8(2):123-133.

Holmes, L., McDermid, S., Padley, M. and Soper, J. (2012) *Exploration of the Costs and Outcomes of the Common Assessment Framework*, London: Department for Education.

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Ward, H. and Holmes, L. (2008) Calculating the costs of local authority care for children with contrasting needs. *Journal of Child and Family Social Work*, 13 (1), 80-90.

Ward, H., Holmes, L. and Soper, J. (2008) *Costs and Consequences of Placing Children in Care*, London: Jessica Kingsley Publishers.