Building an economic case for child centred family and parenting support

Andy Bilson
Emeritus Professor, University of Central Lancashire
Issues in Building an Economic Case

An economic case might consider the following:

- Comparing the direct costs of child-centred family and parenting support and out of home care;

- Including the wider social impact of implementing child-centred family and parenting support;

- Strategic issues in building an effective economic case.
The direct cost of institutional care

Comparison of direct costs including social work support e.g. annual costs in UK (2005-6):

<table>
<thead>
<tr>
<th>Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential unit</td>
<td>€196,000</td>
</tr>
<tr>
<td>Foster care</td>
<td>€78,000</td>
</tr>
<tr>
<td>Independence</td>
<td>€42,000</td>
</tr>
<tr>
<td>Kinship care</td>
<td>€28,000</td>
</tr>
<tr>
<td>Own parents</td>
<td>€11,000</td>
</tr>
</tbody>
</table>

e.g. In Montenegro “The average annual costs in 2003 for a child without disabilities and aged under three years were €41,051 for residential care and €13,124 for foster care. For a child with disabilities of the same age, the average annual costs were €43,017 for residential care and €30,998 for foster care.”
Increasing Cost & Expenditure, and different measures of cost in England

- expenditure during year (real terms)
- expenditure per child during year
- expenditure per day of care
- number of days of care provided during year
- number of children looked after during year

Government Expenditure: Western Australia

Millions of Dollars

2007-08: $100
2008-09: $150
2009-10: $200
2010-11: $250
2011-12: $300
2012-13: $300

- Family Support
- Intensive family support
- Out of home care
Issues in considering direct costs

- What to include (e.g. state expenditure only; costs of voluntary donations and volunteering; capital costs; wider system costs such as costs of legal action, social work support, etc; …)

- How to calculate and compare costs (e.g. daily rates; lifetime costs; reduction in care costs …)
Approaches to measuring wider impact and outcomes

There are many, often overlapping, approaches to placing an economic value on programmes including:

- Cost effectiveness
- Social Return on Investment
- Cost-benefit analysis
- Cost saving analysis
- Social accounting
- Outcomes approaches
- Sustainability reporting
- Social impact assessment

All include an assessment of the impact of programmes on the wider community and attempt to consider both intended and unintended outcomes (e.g. closing a remote institution may cause unemployment and other consequences in the local community).

Some approaches involve putting a cash value on outcomes often using proxies.
Few Cost benefit studies

Maher et al (2012) state that:

Cost-benefit results on specific programs in child welfare are sparse, which has been attributed to a lack of suitable data on program costs, the inability to capture quality of life measures for children, and a general lack of feasibility from a resource perspective (Goldhaber-Fiebert et al., 2011; Kaplan, 2012).

Outcomes of Care Across Europe

- Lower IQ
- Higher mortality & suicide
- Poor education
- Crime
- Unemployment
- Homelessness
- Mental Illness
- Sexual Exploitation
- Early pregnancy and own children in care
- Drugs, prostitution, autism and more …

“Outcomes are poor even when compared to other children with roughly comparable backgrounds and problems.” [Source: UK Parliament 2009 ]
Social Return on Investment (SROI) is a systematic way of incorporating social, environmental, economic and other values into decision-making processes. By helping reveal the economic value of social and environmental outcomes it creates a holistic perspective on whether a development project or social business or enterprise is beneficial and profitable. This perspective opens up new opportunities and forms the basis for innovative initiatives that genuinely contribute to positive social change and poverty reduction for all.

http://betterevaluation.org/approach/SROI
Six Stages to carry out a Social Return on Investment analysis

1. **Establishing scope and identifying key stakeholders.** It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process and how.

2. **Mapping outcomes.** Through engaging with your stakeholders you will develop an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes.

3. **Evidencing outcomes and giving them a value.** This stage involves finding data to show whether outcomes have happened and then valuing them.

4. **Establishing impact.** Having collected evidence on outcomes and monetised them, those aspects of change that would have happened anyway or are a result of other factors are eliminated from consideration.

5. **Calculating the SROI.** This stage involves adding up all the benefits, subtracting any negatives and comparing the result to the investment. This is also where the sensitivity of the results can be tested.

6. **Reporting, using and embedding.** Easily forgotten, this vital last step involves sharing findings with stakeholders and responding to them, embedding good outcomes processes and verification of the report.

ACTIVE Programme
Bulgaria and Moldova

Workers assess family strengths and needs and provide support on six well-being domains:
- living conditions,
- family and social relationships,
- behaviour,
- physical and mental health,
- education,
- employment and household economy
Reported Outcomes of ACTIVE approach, Moldova 2014

Results for 127 children completing prevention programme in Moldova and 67 with post completion follow up. Similar results for larger group in Bulgaria:

- **Better relationships:** Decreases in risks due to poor relationships between mother and child (33.9% falls to 3.1%); Father and child (67.7% falls to 33.9%); and between parents (85.8% falls to 37.8%)

- **Employment and household economy:** The number of households where no-one worked fell from 78.0% to 24.4% and by the end of the programme only 11% had no stable monthly income compared to 81.8% at the initial assessment.

- **Improved Housing:** 5 risk factors, fall from 45.7% to 12.6% in temporary housing and from 75.6% to 14.2% without basic utilities/furniture. For 67 with follow up increase from 7 (10.4%) to 41(61.2%) with no risks

- **Safer Environment:** E.g. number of children living in families with verbally and/or physically aggressive behaviour fell from 67.7% to 7.1% for the 127 who completed the programme.

- **Less alcohol and illegal drug problems:** Still a problem for some children but excessive alcohol use fell from 55.1% to 16.5% and illegal drugs fell from 5.5% to 1.6%

- **Improved health and development:** Fall from 33.9% with health problem to 14.2% and developmental delay fell from 49.6% to 11.8%

- **Education:** more attended preschool care and better attendance at school or kindergarten, more children received support for school work and less struggled with academic skills
### Children born in 2007 in Western Australia
#### Cost of care before the age of 2

<table>
<thead>
<tr>
<th></th>
<th>All children</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost</td>
<td>$24,094,000</td>
<td>$12,222,000</td>
<td>$11,872,000</td>
</tr>
<tr>
<td>Average cost per year per child in care</td>
<td>$41,116</td>
<td>$44,605</td>
<td>$38,502</td>
</tr>
<tr>
<td>Average cost per year for each child born in 2007</td>
<td>$414</td>
<td>$2,895</td>
<td>$220</td>
</tr>
</tbody>
</table>
Strategic Issues in creating a credible economic case

- What is the economic case to be used for?
  - Overcome resistance to change
  - Cost already accepted change
  - Who is/are the audience/s

- Resources available
  - Research/Outcome studies for out of home care and family and parenting support & evidence around gatekeeping and net-widening
  - Information on programme costs
  - Staff time, expertise, etc.

- Winning hearts and minds
  - Stakeholder involvement
  - Overcoming stereotypes and prejudice