This presentation was delivered at the “Orphans and Vulnerable Children Costing Technical Consultation” meeting, held in Washington DC from June 28th – June 29th, 2010.

Questions on the presentation itself should be addressed to the presenters. General questions on the OVC-CARE Project and OVC-costing should be addressed to Professor Bruce Larson at BU-CGHD (blarson@bu.edu)
Strengthening Child Care Systems through Costed Services

The Dream – and one Reality…
Country Experience - Georgia

Project Background

• EU Project – Support to Child Welfare Reform 2006 - 2010

• Objectives:
  – Support continuing deinstitutionalisation
  – Support setting up of alternative child welfare services
Country Background

- Republic of Georgia (post-Soviet)
- Population 4.3 million, 1.1 million children (26.7%)
- Fewer than 200 orphans in state institutions
- In 2006 (Child Welfare System Mapping):
  - 63 orphanages, boarding schools (5662 children)
  - 11 small group homes (248 children, incl SoS)
  - 4 shelters (235 children)
  - 10 day care centres (835 children)
How to encourage the Government to support setting up of alternative services?
The Logic

- Many demands on limited Government Budget
- Economic argument best advocacy approach
- But…

- **Tension!!!!** long-term investment in children VS government short-termism

- **Aim:**
  - To show that alternative child welfare service were more cost effective in providing quality outcomes
  - But the result…..
How to Estimate Costs of New Child Welfare System?

• Bottom-up approach:
  – Calculate unit costs of different types of services
  – Identify number of children currently using different types of services
  – Estimate number of children using existing and new services
  – Predict changes in, and costs of services, over a number of years
Advocacy

• Top-down approach:
  – Advocate on needs of children to be supported by loving, caring families
  – Describe damage done to children growing up in institutional environment (trainings, workshops etc)
  – Use Human Rights arguments, eg CRC
  – (insufficient locally relevant data to use ‘investment in children’ argument)
A difficulty - Social Workers

• Lack of understanding of role of social workers
• Difficult to collect data on their activity
  – Much appears to be unmeasurable
  – Reluctance to spend time on statistics when there is work to be done
• Data collection focused on children awarded deinstitutionalisation benefits
  – No data collection on
    • Enquiries
    • Number of home visits
    • Work with children not involved in deinstitutionalisation
• New tasks – adult clients
Ways of Doing Unit Costing

• Crude – divide total costs by number of children using the services
• Macro – take into account differences between service use, but without taking into account differences in service provision
• Micro – refine costing to such a level that individual care packages can be easily costed, (Katja’s piano lessons, Igor’s occupational therapy)
Step 1
Our Approach to Unit Costing (Macro)

• Used all existing data possible
• Calculated costs per day (to account for short-term service use)
• Started with unit costing for existing services
• Data collection questionnaires
  – Residential care 2 questionnaires
    • Calculating the number of nights children spent in res care
    • (detailed) expenses questionnaires
  – Foster families
• Questionnaires supported by
  – Guidance sheet
  – Visits to services or foster families to clarify issues
• In 2008 28 service providers and 10 foster families participated (insufficient foster families)
Data Issues

• Forms not always correctly completed
• Foster families prone to overestimating total (family) expenditure compared to income
• Capital expenditure not in current year excluded
• Donations/household income excluded
• State services do not have rental costs, thus costs unequitably balanced compared to NGOs or private providers
Other Issues

• Costs calculated based on government allocation – not on real costs for quality services – how real are they?
• How to deal with different child participation in services (eg weekly boarders, day children in residential services etc)
  – Divided costs into groups, eg property costs, staffing costs, food costs
  – Calculated total number of child nights spent (according to data provided)
  – Day child costs were calculated by assuming 1/3\textsuperscript{rd} of staff costs, number of meals per day, 1/3\textsuperscript{rd} of property costs
• But still not adequate (more day-time staffing, day children do not need bedrooms etc)
• **Needs more research and testing**
Unit Costing Surprises

• State services much cheaper than INGO services (quality)
• state services for children with disabilities significantly cheaper than for non-disabled children (quality)
• extremely variable costs by INGOs
Step 2
Estimating Need for Future Services

• Data needs
  – Existing number of service users
  – Data in relation to deinstitutionalization
    • How many children discharged with what service package
  – ‘Productivity’ of social workers
    • How many children deinstitutionalized
    • How many children prevented from entering institutions
Missing Data

- No information available on non-institution related children in need of services
- Proportion of deinstitutionalized children requiring non-cash support packages
- Social worker workload measurement - only for children receiving deinstitutionalization benefits
- Rate of diminuution of deinstitutionalization (‘hard core’)
- Capacity of Government to support setting up alternative services
- Population data
- Capacity of other providers to provide alternative services
  - Most donor-supported
  - Legal framework for setting up alternative services?
- Indirect costs of institutional care (only US data on foster-care found)
The Challenge

• Estimate the costs of a future child welfare system on very limited information!
Assumptions, Assumptions, Assumptions…..

• Assumptions made on:
  – Increase in number of social workers
  – Continuing productivity of social workers
  – Rate of reduction of entries into institutions
  – Number of children deinstitutionalized with deinstitutionalization benefits
  – Number of children requiring non-cash alternative services post-deinstitutionalization

• ‘New’ children not included
The Model 2008 – 2011

Number and productivity of social workers

Assumptions about rates of change etc

Number of current child service users

Future estimates of children in different services

Costs per service per child

Total child care cost per year
But that’s not the full story…

- Bringing state homes up to meet quality standards (staffing, accommodation etc)
- Double running costs
- Increased administration costs:
  - More social workers
  - More small scale services
    - Procurement
    - Inspection
  - Participative planning for good local service provision
Standards

• Minimum standards were developed for residential care
• How to cost this?
• Survey of service providers assessing own costs of standards implementation
• **Data issues**
• Estimated costs of average standards implementation per child place based on median costs, over 3 years
Other costs estimates

• Double running costs calculated as:
  (# institutionalised children last year - 
  # institutionalised children this year) x 
  Residential care cost for one year

To support setting up of new services prior to institution closure
High number of children resulted from using social workers as function to estimate # of children
Cautions

- A model needs data, **data, data**
- Quality data very difficult to get hold of
- Requires change of mindset at all levels of government, from front-line workers to decision-makers (data collection and services management)
- Requires much advocacy
- A model (of complexity) must be easily understandable
- In CEE/CIS countries much research needed on indirect costs of institutional/away from home care
Recommendations

• Any global costing models must be flexible to deal with country conditions
• Any system should be simple
• Costings must bear in mind quality (‘best value’ not ‘lowest price’)
• Changes to child welfare systems must be sensitive to children’s needs as well as country culture
• Costings should allow for spare capacity in service providers
Some Useful Websites

- [http://www.joint-reviews.gov.uk/money/frameChildren.html](http://www.joint-reviews.gov.uk/money/frameChildren.html) (on children’s social services, including unit costing)
- [http://www.pssru.ac.uk/](http://www.pssru.ac.uk/) - UK Personal Social Services Research Unit
Thank You