

# Early intervention, using the CAF process, and its cost effectiveness.

## Findings from LARC3

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LARC  
Local Authorities Research Consortium

Local  
Government  
Group



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## Foreword

*John Harris, Director of Children, Schools and Families, Hertfordshire County Council  
Chair of the LARC Steering Group, March 2011*

## Introduction

The findings from the LARC3 research programme come at a particularly challenging time for local authorities and their partners. The Coalition Government has set a new policy and financial context. Continuing to improve outcomes for all children and young people (particularly those from the poorest families) is to be achieved with a significantly reduced funding base across the public sector. The government has sought to promote investment in systematic preventative and early intervention services as a means of breaking the cycle of poverty and underachievement in key groups and communities, whilst making long-term savings in public expenditure. This is a strong policy thread that runs through Graham Allen MP's review of Early Intervention, Professor Eileen Munro's review of Child Protection, the reforms to Public Health, and the Schools White Paper. The financial case for the cost effectiveness of children's services is being made through the joint work by the Department for Education (DfE), the Association of Directors of Children's Services (ADCS) and the Centre for Excellence and Outcomes (C4EO). In this context, the LARC3 research findings provide important 'real time' evidence about the cost effectiveness of early intervention. At a time when there is increasing interest in promoting sector-led models of service improvement, the LARC model, in which local authorities and national agencies undertake collaborative research, has potential as one of the 'improvement tools' available to local authorities and government.

## Background

The Local Authority Research Consortium (LARC) is a collaboration of local authorities (LAs) supported by national agencies jointly carrying out research aimed at improving integrated working in Children's Services. It encourages and assists participating LAs to be reflective, to tell their own story, and to learn from others, thereby contributing to a culture of sector-led improvement and 'knowledge creation'. Our research findings contribute to active policy development, shaping and influencing national and local developments.

Previous research through LARC (Easton *et al*, 2010) has demonstrated the importance of the Common Assessment Framework (CAF) and associated processes in providing the systematic underpinning for effective integrated working that makes a positive difference to the outcomes for vulnerable children and families. In the context of reduced public funding, a key question for the future is the extent to which the CAF process itself is cost effective, both in enabling better early intervention with a consequent reduction in the demand for more costly specialist services.

During 2010, the 21 participating LAs in LARC undertook and documented local research projects in order to answer this question. This work (referred to later as LARC3) builds on the first two LARC projects conducted over the period 2007-09. This report presents the broader picture that emerges from LARC3.

## **Key Messages for Policy Makers**

### ***CAFs are leading to better outcomes at lower cost***

CAF episodes are leading to better outcomes in response to a whole range of needs, ranging from circumstances where children and young people need early preventative support though to circumstances where substantial multi-agency interventions are required at a level falling just short of the threshold for specialist services. The scenario analysis from 80 indicative case studies identifies potential savings of between £5,000 and more than £150,000 being reported. The CAF process gives a systematic framework for early intervention programmes and practice with clear evidence of payback.

### ***The CAF process is cost effective***

Suggestions that the CAF process itself is costly are not borne out by our case study data, which shows that CAF process costs are mostly under £3,000, the exception being the most complex cases where multi-agency intervention is required. Even here case study data suggests an upper limit of £8,000 which is still relatively low when set against a potential saving of £100,000. The CAF process is an enhancement to capacity for early intervention and not a costly bureaucratic overhead.

### ***The CAF process makes an important contribution to schools in tackling barriers to learning***

CAF episodes show particular improvements for children, young people and families in their engagement in education. Our case studies demonstrate the benefit to schools where the CAF process has enabled them to engage with learners who would otherwise have been at risk of under achievement and/or exclusion. In their new relationship with LAs and their partners, schools should be encouraged to see the CAF process is a key part of their work to promote educational achievement for all.

### ***Scenario analysis can inform service and financial planning at local level***

The LARC research has developed a costing model which bases potential savings on practitioners' and families' assessment of 'futures avoided', with a systematic method for estimating the costs attributed to the negative outcomes avoided. This real time case study material can enhance service planning models which are based purely on estimates such as numbers of children with child protection plans or in care.

### ***Collaborative research can support a strong culture of sector-led improvement and knowledge creation***

The LARC model of collaborative research continues to have value in supporting LAs and their partners in managing their own improvement. Drawing on the framework of ‘realistic evaluation’ with the research owned and managed by local staff, and technical support provided by NFER and RiP research partners, enables LAs to benchmark their progress and tell their own story, particularly with aspects of service development where the applied practice is ahead of the formal research.

### **Conclusions and Next Steps**

Improved integrated working through the CAF process is not an optional extra but a fundamental building block that enables LAs and their partner agencies to work together effectively to support early intervention and prevention. But the ‘process’ alone cannot deliver the improved outcomes. Progress has been most apparent in those areas where the CAF process underpins specific evidence-based programmes that have been shown to be effective in working with vulnerable children and families (see *Grasping the Nettle*, C4EO, 2010). Many LAs and their partners are taking the opportunity to reframe children’s services in the light of the changing arrangements for schools, public health and the NHS, and the opportunities provided through ‘localism’ and the ‘Big Society’. New models for service design and delivery have effective prevention and early intervention with vulnerable children and families as a clear focus, with ambitious savings targets from specialist services built into the financial models for the service operating model. As the implementation of these models moves forward, we need to maintain a strong focus on collaborative research to share learning and build capacity for further improvement.



## LARC 3 Findings

LARC3 adopts a pragmatic, best available evidence approach to investigating early intervention and its cost effectiveness. Using qualitative case studies and an adapted ‘futurising’ methodology (Helmer, 1883), the costs of the Common Assessment Framework and associated process (including support interventions) are explored and given a financial cost. The potential negative (and costly) future outcomes avoided by intervening early are also examined to ascertain the potential long term costs avoided. LARC3 is a small scale, indicative study, using innovative adapted but untested research methodologies. It is not an in-depth national evaluation; however the picture emerging is consistent with other current evidence.

The Children’s Workforce Development Council (CWDC) Integrated Working Self Assessment (IWSA) Questionnaire was circulated in autumn 2010. The Interim Report Headline findings have been made available for use in this report: (The final report is scheduled for March 2011). This gives a picture of significant progress in the development of integrated working generally, as well as a perspective on some of the specific issues raised by the LARC3 work relating to, for example, CAF and Team Around the Child. For example, the majority of authorities report complete implementation or significant progress in reviewing, evaluating and improving the approach to CAF. However in the case of measuring effectiveness, including cost effectiveness, of integrated working, 76 per cent describe their status as “work has started” with only a small number completely implemented or seeing significant progress. It is against this background that the LARC3 work is set.

The primary purpose of this report is to enable the local authorities who make up the LARC consortium to put their local evidence in the context of the work of colleagues in other authorities, and to summarise the methodological approach adopted. For more on the methodology and the priorities for the research, see *LARC methodological approach*, below (page 16).

### LARC3 starting point

The LARC programme helps authorities improve multi-agency working in order to deliver better outcomes for children, young people and their families. To give focus to the work for round 3, the consortium concentrated on case studies involving the use of the Common Assessment Framework (CAF) and the working around it: the organisation of team around the child (or family) meetings (TAC or TAF), the role of the lead professional, and the effectiveness of the interface between universal settings (schools, early years centres), and targeted (tier 2) services. Local authorities have a variety of organisational arrangements to address this need. Some have locality panels, others have developed structures with names like “team around the school, child and community”. It was not in the scope of the work to analyse the differences in these arrangements but instead to look at early intervention, using the CAF process and its cost effectiveness.



For the purposes of this report, “*the CAF/TAC process*” is used to refer to: the assessment leading to the completion of a CAF form, including the meeting(s) involving different professionals and the family and the creation of the action plan with reviews. The events from the initiation of an assessment through to the closing of individual CAFs, including the interventions, are referred to as a *CAF episode*.

LARC members wanted to identify if there was evidence of the value for money of early intervention using the CAF/TAC process by comparing the costs incurred during a CAF episode against the costs potentially avoided as a result of intervening early.

### **The research question**

The aim of LARC3 was to investigate the economic case for early intervention supported by the CAF/TAC, compared to what would have happened in the absence of early intervention using the CAF/TAC process. Our research question, therefore was:

*‘Is the CAF/TAC process a cost effective way to support better outcomes for children, young people and their families and avoid more costly interventions and outcomes later?’*

The terms ‘costs’, mainly refer to financial costs but also considers the negative impacts on individuals, families and society which may not have a direct attributable financial cost, for example, poor peer relations.

### **Summary of case studies**

The 80 LARC3 case studies represent a range of circumstances including age of the child/young person, the level of need of the child and/or the family, services provision, and how early was the intervention. Over half (59 per cent) of the cases relate to boys.

**Table 1 Case studies age range**

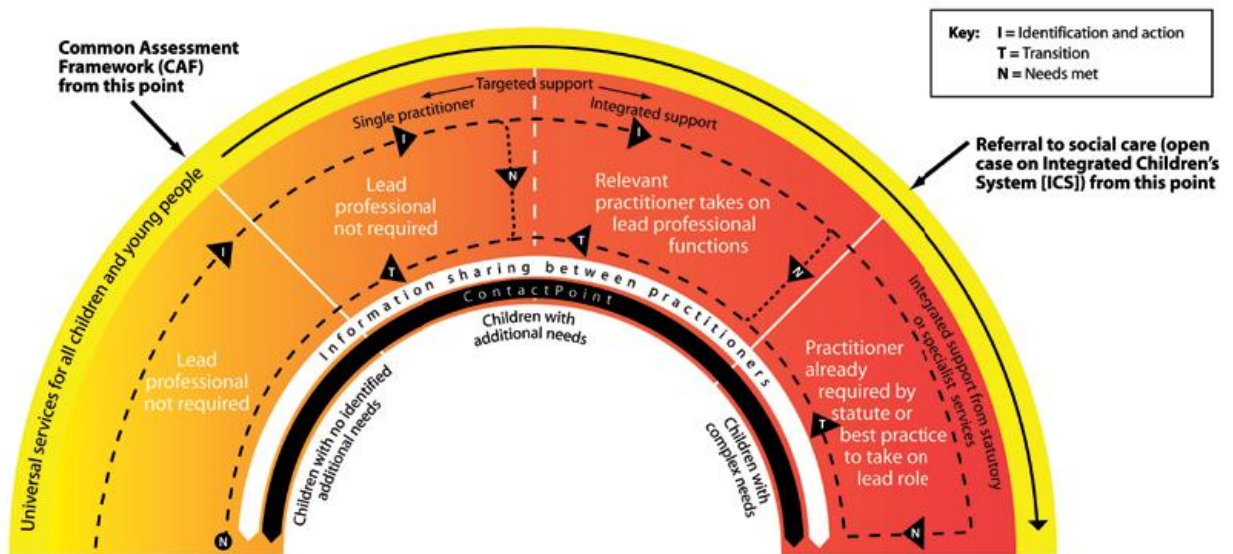
<b>Age at time of CAF initiation</b>	<b>Number of cases</b>
<b>Unborn</b>	2
<b>0 to 5 (early years)</b>	18
<b>6 to 11 (primary)</b>	28
<b>12 to 16 (secondary)</b>	29
<b>Unknown</b>	3
<b>Total</b>	80*

\* It was not possible to accurately cost two case studies, therefore the costing data presented below refers to 78 cases rather than 80.

### **By level of need and how early is the intervention**

Early intervention is central to the current policy context for children’s services, see for example, (DfE 2011). In this context, all of the LARC3 cases represent early intervention.

However, the point at which assessments took place in terms of case history and also the complexity of the case varied considerably. For some, the CAF/TAC was the first recorded assessment/intervention. For others, there was evidence of previous assessments or interventions ranging from meetings with children’s centre workers to temporary exclusions to police actions. The cases can be categorised with reference to the CAF windscreen (see CWDC, 2009).



- Children with no previously identified additional needs.** Such cases included those where the child had no, or very few, presenting issues. Often a CAF had been initiated to support the wider family needs. These included supporting parents to establish routines within the home, therefore enabling children to attend school on time or develop within a more structured home environment. Such case studies also include CAF episodes on new born babies where their need (pre-birth) was considered to be low. Only a few of the LARC3 cases were in this category.
- Children with additional needs.** Cases comprise children/young people presenting with significant level of need and issues such as low-level poor behaviour, low school attendance or insufficient engagement in learning. It also includes cases where services had been working with a family but in an uncoordinated way.
- Children with complex needs.** Such cases presented with a ‘higher level of need’ (‘on the edge’) and included ‘step down’ CAF episodes, where there were or had been child in need concerns and where it was decided the CAF/TAC process was the most appropriate support mechanism for the family. Other cases included young people who had self harmed or who were violent towards others, had been involved in criminal activity or misused drugs/alcohol.

The CAF has therefore been used as a ‘last chance’ at early intervention with children on the cusp of entering the care system, and also as a first step with families who have had no previous service contact. This suggests that professionals working at the local level have been

able to employ CAF effectively across a broad range of early intervention case profiles. Responses to the IWSA Questionnaire suggest that the majority of authorities judge that they have made significant progress in establishing, or have completely implemented, a continuum of assessment across different levels of need from universal to specialist.

## LARC3 Findings

The sample of almost 80 completed, costed and moderated case studies indicates that **early intervention, using the CAF process is cost effective with potential savings of between £5000 and over £100,000** being reported. Around ten cases show a potential saving of over £101,000. Most of these cases were children and young people with high level of need ('on the edge') where intervening using the CAF process was expected to prevent potential high cost alternate paths such as a long term 'child in care', severe mental health issues, futures where young people would be NEET and/or serving a custodial sentence. A small number of these cases were low-level need at the time of the CAF episode initiation therefore the CAF process and intervention costs were lower, but the possible long term costs associated with their futures were high.

## Presenting issues

The presenting issues of the children, young people and families involved in LARC3 varied considerably. Presenting issues are summarised in Figure 1 below.

**Figure 1** Summary of presenting needs



- The most commonly given reasons for initiating a CAF episode included **behavioural difficulties**, either at home or school, often including violence in the higher-level of need cases. Earlier intervention case studies included young people

who were exhibiting low level poor behaviour in school for example, or inappropriate behaviour at home, but not at school.

- **Parenting difficulties** were recorded, most often due to parents' feelings of being overwhelmed by their child's needs and perceived lack of support available. Parents reported feeling '*at the end of their tether*', feeling unable to cope and/or experiencing low-mood or depression. Some parenting difficulties related to poor parenting skills or a need to establish routines within the home environment.
- **Education-related difficulties** were found across the cases relating to the child/young person's poor engagement with school and/or learning, low (or below anticipated levels of) achievement, a sudden dip in attainment from high achieving students, often coupled with sudden or continued low levels of attendance.
- Other presenting issues related to **physical and/or emotional health needs** which varied from low-level factors such as poor diet to continence issues or having an attention deficit/hyperactivity disorder. Emotional health issues varied from having poor peer relations to suffering from low-mood to severe depression or self-harm.
- Slightly less commonly reported presenting issues related to **parents' individual needs** (for example the need for domestic abuse therapy) and **housing difficulties**, for example overcrowding or poor living conditions.

## **Interventions**

Across the cases the interventions put in place tended to result in a positive change for children, young people and/or their families. Figure 2 presents a summary of support put in place for children, young people and families.

**Figure 2 Summary of interventions**



- In over half of cases, interventions were put in place to offer parents support. **Parental and family support** included either informal help through HomeStart or a Family Support Worker to more formal interventions, such as a parenting programme, for example, Triple P.
- **Education services** supported young people in around half of cases through mainstream school and/or specialist services. For example, one-to-one time with learning mentors, teaching assistants, SEN support workers or behaviour support workers. Education welfare services often supported children and young people to attend school and engage in learning, resulting in some young people taking their GCSE exams where prior to the CAF episode it was considered doubtful that they would sit exams.
- **Emotional support** was offered to young people who required generic counselling or more specialist mental health team service support (for example, CAMHS) in over a third of cases. Support was received from, for example, school counsellors, 'Relate' or domestic abuse workers among others.
- **Health service** support included referrals to speech and language therapy teams, hearing or sight assessments, paediatric care or assessment for autistic spectrum disorder or attention deficit disorders. Health services were offered in almost a third of cases. School nurses offered support to children and young people in around a tenth of cases.
- Often young people were invited to engage in **positive activities** either in school settings, youth clubs or in the community.

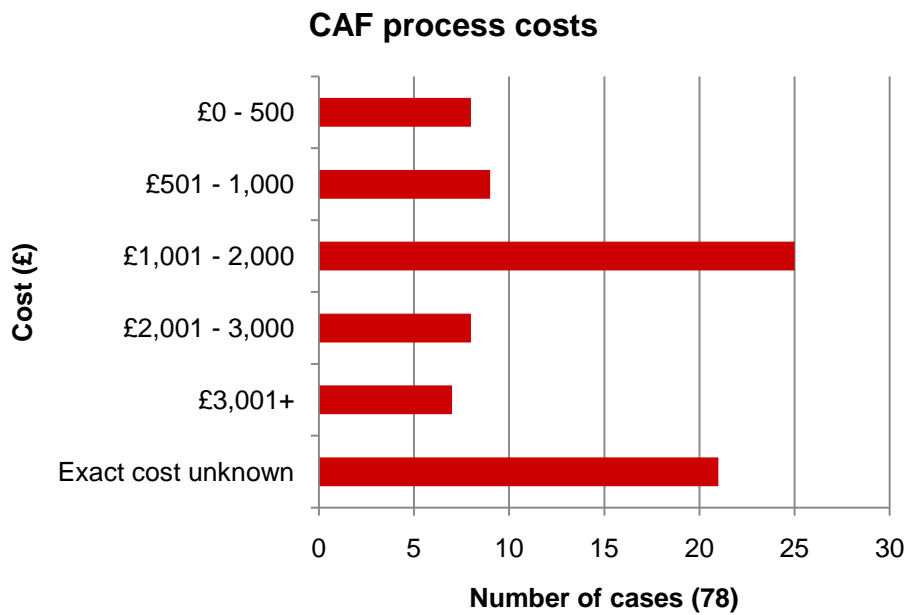
### ***Cost of the CAF process and interventions***

For these case studies, the CAF process<sup>1</sup> cost as little as just over £100 but in higher level of need cases, this increased up to £8,000. Where lower process costs were recorded, these were due to few 'team around the child' meetings and a small number of attendees at each meeting; this is reflective of the low level needs of the child and/or family.

For most cases, however, the **CAF process costs were under £3000** (see Chart 1 below). Generally, where the level of individual or family need was greater, the cost associated with the process was higher. This is due to the increased number of agencies involved with the family, often more than one family members' need being identified and supported ('team around the family' as opposed to 'team around the child') and a larger amount of time invested by lead professionals (in particular) to support the family through the process.

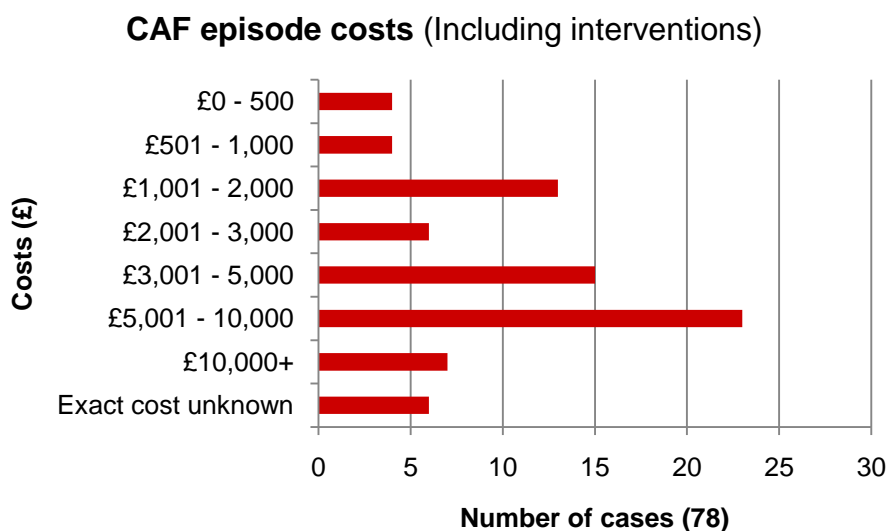
<sup>1</sup> This includes identifying the need, CAF assessment, TAC (and review) meetings, closure (where reported).

**Chart 1: Number of cases grouped by CAF/TAC process costs**



Of the 21 cases where the exact cost of the CAF process was unknown, this was due the completeness of the data on the *process costs* specifically as distinguished from the *intervention costs*. Chart 2 below shows the combined process and intervention costs, where available. The data displayed in Chart 2 was used to produce the net saving costs presented in Chart 3 on page 12.

**Chart 2: number of cases grouped by CAF/TAC episode costs**



In these case studies the **CAF episode, including support interventions, costs mostly in the range of £1000 to £10,000**. Around a third of valid cases studies reported

CAF/TAC episode costs between £5,001 and £10,000. Almost a quarter of cases were in the region of £3,001 to £5,000 with almost a fifth between £1001 and £2000. A small number were below £1000 or over £10,001. Where the costs of an episode were under £500, this was due to small and infrequent CAF/TAC meetings and where interventions were delivered, in the main, by the Third Sector. The chart excludes one case study where the child was taken into care at age three (to the cost of over £370,000) however, the saving of taking the child into care at a young age, was in excess of £125,000. Where more complex needs were evident, the costs of the interventions tended to be greater in order to meet the multitude of needs of children and families.

### ***Outcomes for children, young people and families***

All cases reported at least some improvement for the child and/or the family. Often the benefits of the CAF episode extended beyond the person for whom the CAF episode was initiated and had a positive impact on parents, siblings and in a small number of cases the extended family, such as grandparents. Improvements, as expressed by practitioners, parents and young people included:

- improved **home life**: better routines or family relations, including preventing marital breakdown
- better **engagement in education**: young people attending school, achieving and aspiring to positive future further education or career paths
- improved **behaviour** at home, school and/or in the community
- enhanced **resilience and emotional health**, for example, no longer self harming or feeling happier and/or feeling better able to cope
- improved **service coordination** as a result of the TAC process
- improved **child development**, for example, children meeting their developmental targets whereas prior to the CAF process and interventions put in place, they were at risk of not achieving and developing to the expected level.

### ***Futures scenarios avoided***

A wide range of both short term and long term futures were reported by professionals, parents and young people. The negative futures considered to have been avoided by offering support to children and young people and their families through the CAF process included were consistent within case studies with practitioners, parents and children reporting similar futures avoided, these included:

- **poor educational outcomes**, including become NEET or having poor attendance
- **emotional health** difficulties
- continued or escalating **parenting difficulties**, including parents feeling overwhelmed, unsupported and/or unable to cope physically and/or emotional. A small number of parents anticipated a future of choosing to put their child into care and/or themselves suffering from severe mental health issues
- **referrals into social care**, including preventing some children or young people being taken in temporary or long term foster or local authority care

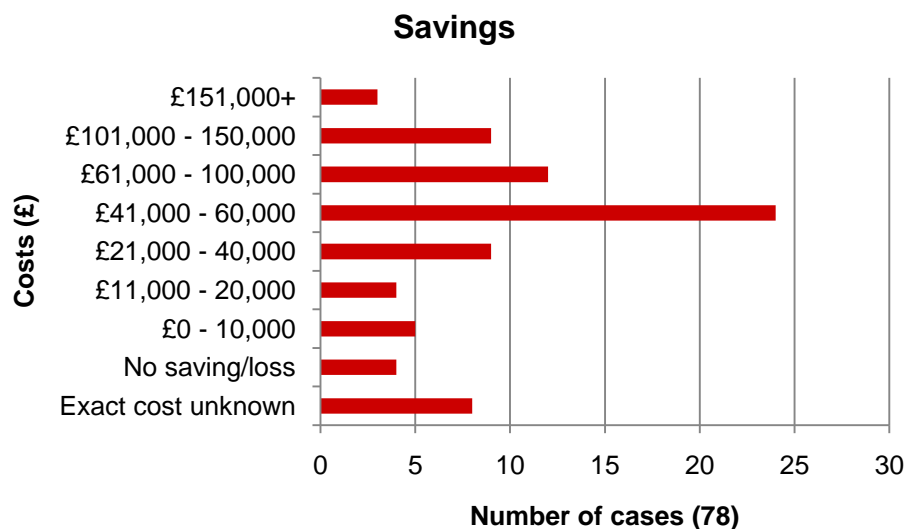


- **poor physical health**, for example, ensuring children have necessary support for ADHD or for speech and language or hearing impairments
- **police, youth offending and/or youth justice involvement** with young people, including youth inclusion programmes, preventing anti-social behaviour contracts or orders (ASBOs) or criminal activity probably resulting in imprisonment
- **negative outcomes for the wider family**, for example high achieving siblings inability to engage with homework due to disruptive family members
- **uncoordinated multi-agency working**.

Across most of the cases there was a strong sense of team around the family approach as opposed to the team around the child. This may have additional cost implications in the short term, but is also likely to reap greater personal, financial and societal costs avoided in the future.

Based on the futurising methodological approach (for details see *Costing the scenarios* below) the **potential costs avoided in the longer term, net of assessment and intervention costs, ranged from £500 to over £150,000**, depending on the severity of the negative outcomes avoided. Over half of the cases reported savings in the region of £41,000 to £100,000 with most of these falling around £41,000 to £60,000.

**Chart 3: Number of cases, level of savings, thousands of pounds**



Negative outcomes potentially avoided through the CAF (where costs could be attributed) ranged from young people receiving emotional support to becoming NEET, being involved in the Youth Justice System, being taken into care and/or family members needing mental health care. These costs exclude the outcomes where it was not possible to attribute a financial cost, for example family breakdown or unresolved

emotional distress. These negative outcomes would also have a likely financial cost implication to authorities/society in the long term but it was decided not to include these in the LARC analysis.

## Conclusions

The costs invested in assessments and interventions identified in the LARC cases are consistently and significantly lower than the future costs avoided. The cases vary in terms of the age and circumstances of the children, young people and families and inevitably focus on positive outcomes. The pattern of the LARC costs suggests, however, that early intervention supported by the CAF/TAC process can be a cost effective way of achieving better outcomes for children, young people and families and services given a:

- a medium term view of when the later costs would be incurred
- a locality/multi-agency approach to where the savings will be achieved.

It is these ranges of costs, and the broad comparison between the costs and the savings across all cases, rather than the specific cost of any one case, that is the strongest evidence offered in this analysis.

Some important context is offered by the CWDC self assessment data in terms of the current stage of development of integrated working in English children's services. This is particularly helpful as, although the LARC cases are varied, it is not possible to make any claims about how representative they are of all recent CAF episodes. Assessing the cost effectiveness of a larger sample of cases would be valuable both locally and nationally. A large enough sample would enable researchers to make useful comparisons between types of CAF episodes and types of CAF/TAC working practices (i.e. multi-agency panels vs. no panels) for example.

The futurising approach is increasingly being used within LAs to assess the outcomes avoided by supporting a family early. The LARC approach not only builds on the professional expertise of practitioners by using judgements with which they are familiar through their day-to-day responsibilities, it also includes the views of families and children. Members of LARC found the futurising exercises a useful and meaningful way to gain greater insights into the relationships between assessment, intervention and outcomes for families and services. This approach could be refined by relating the futurising element of the cases to wider research on population characteristics and the probabilities of different outcomes for children and young people in different circumstances. Authorities continue to build on the LARC3 work locally to support evaluating the impact, potential futures avoided and costs of CAF episode for children, young people and families.

## Recommendations

The LARC3 work suggests obvious gaps in data, and therefore there is a need for further work to be done nationally and locally. The following recommendations, aimed at national and local government, are derived from the LARC3 data and the research team's experience of working with LARC member authorities in supporting improved outcomes for children, young people and families:

### **Recommendations for national policy makers**

- Commitment is needed for further work in this area in order to adopt a more robust approach, on a larger scale, to verify the messages from the LARC3 work.
- We need to explore the different models of delivering CAF/TAC within and between LAs to establish the most effective and cost effectiveness practices.
- Further work in this area would also need to reflect the continuing progress with embedding integrated working, and the many changes to organisations delivering children's services taking place in 2011.

### **Recommendations for local audiences**

- National perspectives on the case for early intervention need to be taken into account but can be difficult to apply to specific local decision making. Working with finance colleagues to identify costs in relation to individual cases can enable a connection to be made between services delivered and outcomes avoided, and highlight how the structure of local services impact upon the costs and benefits.
- LARC3 has focused on positive outcomes for families who needed support through a CAF episode. We have not looked at CAF assessments or episodes (and the associated costs) where, in the end, a CAF was deemed unnecessary in best supporting a family, for example. In other words, there is a need for evidence to assess how representative the LARC3 case studies are across all CAF episodes locally and nationally, how the cost effectiveness of the CAF varies, and whether it offers good value for money across all cases (rather than just individual cases).
- Gathering the evidence needed to produce an analysis of CAF cases can be undertaken by local teams, with appropriate support. Although it can appear an additional burden, experiences of LARC3 involvement is reported as being positively received as a development activity for service teams and managers.
- Authorities might like to consider incorporating a futurising element to CAF/TAC episode closure meetings to gather practitioners' and families' views on the potential futures avoided by intervening early. Authorities could then randomly select cases to cost, thereby enabling a more representative overview of the cost effectiveness of CAF episodes locally. Authorities could build on this work further by measuring the actual outcomes for young people and families who benefitted from the CAF through longitudinal research.

## LARC methodological approach

This section discusses the methodological approach taken in LARC 3. It outlines how data were collected on the CAF episodes, interventions and future scenarios avoided.

LARC LARC3 further developed the partnership model established by LARC during 2008/9 (LARC2). The approach is based on detailed qualitative analysis of case studies whereby each authority identified a small number of case studies to investigate: typically, three or four. A shared focus and approach to the work was established through workshop discussions and briefings. Each authority was visited by an NFER researcher to plan the conceptual and practical development of the project and methodology guidelines were circulated in order to achieve consistency of approach in each authority.

The qualitative, case study approach of LARC is intended to help identify effective mechanisms and processes in order to inform local practice improvement and decision making. Like any methodological approach, there are clear limits on the issues it is possible to address and the type of conclusions it is possible to draw. Support for the value of this type of approach comes from the feedback received from LARC members (see Southcott and Easton, 2010) as well as national reviews:

*In-depth qualitative work is needed to understand the processes and aspects of service delivery that are associated with better outcomes for children and families.*

*Statham, J. and Smith, M. (2010)*

### Timelines

Consortium members (comprising 21 local authorities of all types) required reports in time to inform planning for the following financial year. As a result, the approach undertaken for LARC3 had to be practical, quick and make best use of the available evidence about early intervention and its cost effectiveness. LARC3, therefore, offers a selective snapshot, rather than a comprehensive overview of the CAF/TAC in action during a limited period of time, it does not claim or intend to be representative of the CAF/TAC process nationally. Interviews for the case studies were mostly conducted in June/July 2010, and the episodes concerned largely took place between summer 2009 and spring 2010. Case studies were reviewed as part of the futurising methodology during September and analysis conducted over late autumn.

### Criteria for including case studies

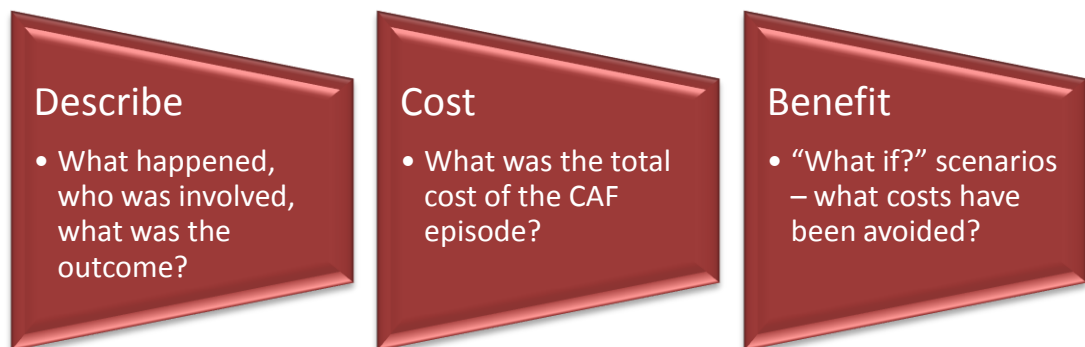
The 80 cases represent examples where it was possible to identify the evidence needed to address the research question: a change in outcome following the CAF/TAC. No attempt was made to seek a representative sample, although some authorities did a random selection of cases. Given the issues to be explored, the high priority given to the timescales of the work, and the limited research resources available, cases studies were chosen on the following basis:

- CAF episode where a change in outcome was evident, these tended to be cases where a positive change was realised.

- Key practitioners and/or family members were available for interview in order to gain multiple perspectives on each case.
- Informed consent from the family was given
- CAF episodes were either closed, or there had been a change in outcome generally within the past 12 months

The selection of the case studies on these pragmatic criteria means that there are clear limits to the extent it is possible to generalise from these cases. Within authorities there is management information about the mix of CAF cases that give some local perspective on how the cases chosen compare to others. The national summary does not address this issue.

### **Information gathered**



Common semi-structured interview schedules were developed, one for the professionals, one for parents and one for the child/young person. Some authorities adapted the schedules slightly to reflect local priorities. All asked open questions to elicit information about what happened, both in terms of pre-CAF service engagement, presenting issues of the child/family, engagement of services (who was involved and the extent of involvement of each professional); what the outcomes were for the young person and the family.

CWDC (2010) in reviewing the relationship between CAF and specialist assessments, suggests a typology of local assessment/prioritising arrangements, looking at such issues as the establishment of locality panels and the use of a pre-CAF. The information gathered for LARC3 does not systematically identify these arrangements. The variation in cost and outcomes therefore cannot be analysed in a way that would address the efficiency or effectiveness of different arrangements. Some aspects of these arrangements are clearly a function of local geography and local cross-agency relationships. Reviews of multi-agency working (e.g. Atkinson et al, 2007) offer pointers to some of the key issues.

All interviewees were asked to consider hypothetical questions about where the child and family might realistically have been in the future if the support interventions initiated via the CAF process had not been put in place. They were urged to be realistic about suggestions, and rate the likelihood of each outcome on a scale of 1 to 5. Practitioners were asked to draw on their professional experience and understanding of similar cases (with both positive and negative outcomes) to support them to do this. Wherever possible, the family members and young people were asked similar questions about what might have happened without the help that had been in place. Interviewees were asked to consider outcomes in terms of short, medium and long term, however most focused their 'future' on the long term. The approach adopted was derived from 'futurising methodologies'.

### ***Analysis of future scenarios***

From the interview transcripts, a summary was developed for each case which was used for the costing process and for moderating the scenarios (see below).

**What happened?** The presenting issues, that is, what prompted a practitioner in a universal setting to initiate a CAF/TAC, were grouped under seven main headings (see diagram page 4). The summary was derived from the information gathered about the child, its family, any history of engagement with services or agencies in the interviews or from the CAF form itself.

**What was the cost of the CAF/TAC?** That is, completing the CAF assessment form, collecting and collating information, arranging and conducting TAC meeting/s, which professionals were involved and how much time each spent.

**What were the resulting intervention(s) and what did they cost?** The costs were derived either the cost per participant for a package of support or intervention (for example a parenting programme for youth inclusion programme) or by the time spent by agencies with the child, young person or other members of the immediate family as a result of the assessment.

The main cost calculations are based on time spent directly on the case of the young person by each professional multiplied by the hourly rate for that category of professional.

The rates used were derived from national, publicly available figures. They incorporate a calculation to allow for the costs of

- a) overheads for the person e.g. costs of office facilities
- b) non-contact time of professionals.

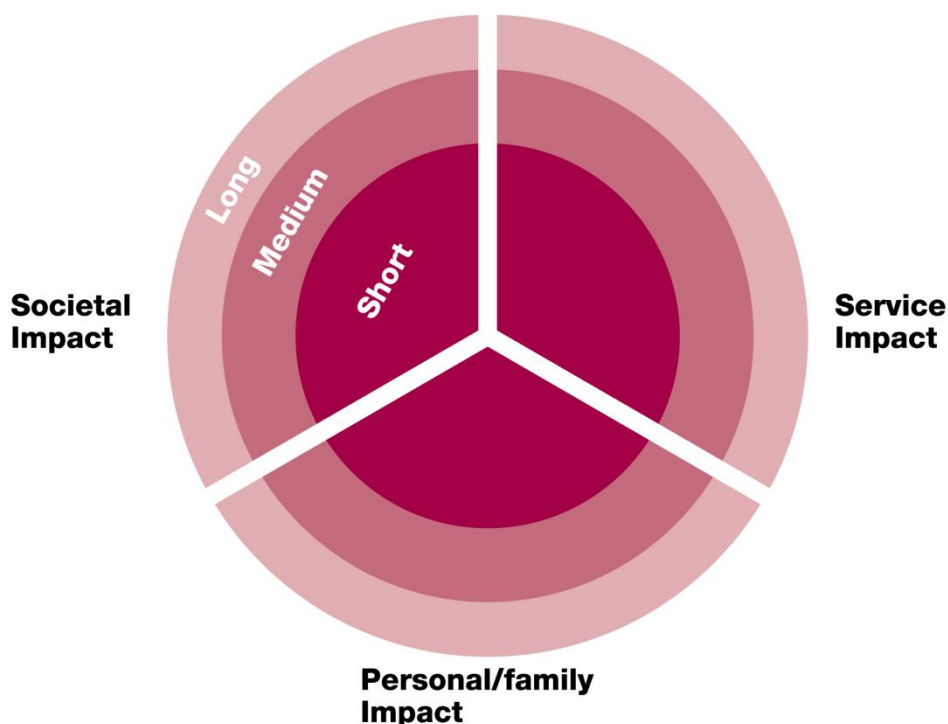
There are obvious variations between costs in different areas, for example the amount of time spent in travel varies significantly between rural and urban localities, and even between professionals in the same authority where one is part of a local team and the



other a central service. For the purposes of the costings used here, a national average for these costs was used.

### Scenarios: what would have happened?

The information about what interviewees considered would have happened without interventions was the subject of a moderation process prior to being used in analysis and costing. Two workshops were facilitated by NFER researchers at which representatives of the consortium authorities reviewed summaries of the case studies. The professionals involved were managers experienced in the type of cases under review, with job responsibilities such as locality manager or CAF co-ordinator, or were currently at strategic managers with a practitioner background. Each case was reviewed by a group drawn from at least four different authorities. The scenarios suggested by interviewees were either 'accepted' or 'rejected': no alternative scenarios were proposed. Accepted cases were then given a score from one to five on likelihood. A small number of case studies were rejected and removed from the analysis at this point on the basis that the moderators did not agree with the suggested outcomes.



In the scenarios, a variety of outcomes were suggested by interviewees. These can be grouped both in terms of the *timescale* and the *main nature of the impact*. To take three examples:

### **Box 1 Examples of 'futures' and impacts**

- Young person would have permanently excluded from school, this would have personal, service and societal impacts in the short, medium and long term future
- Marital break down, this would have personal/family impacts in the short to medium, possibly long term, but it is not possible to attribute a service costs at this stage
- Young person would become NEET, this would have a societal cost, as well as service and personal costs, especially in the short, medium to long term.

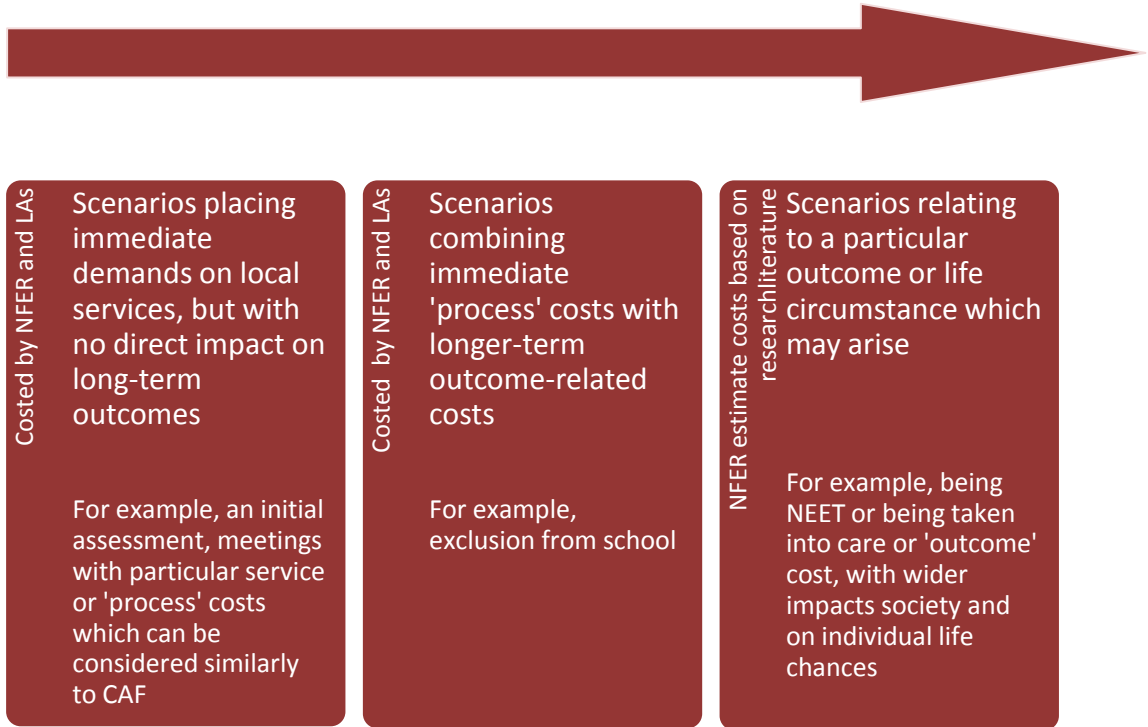
### ***Costing the scenarios***

The initial interest of the research was on **short to medium term service impacts**. There were two reasons for this.

1. The limitations of the scenario methodology. Clearly, the confidence one can have for any hypothetical scenario will be less if the projected events are further into the future.
2. The use to be made of the costing scenarios, which is mainly to inform service planning at a local level.

This not to imply that service impacts are the most important types of outcome or that they are the only considerations in service planning. Clearly, the main justification for the support offered to families must be in terms of the outcomes for them. Nor is it to ignore or question the work of other projects that assign values to longer term personal and societal benefits ("social return on investment"). There was consensus between the practitioners and the researchers in LARC that it was not the main interest of the project to focus on these broader, longer-term considerations at this stage in the development of the LARC work.

Inevitably, the interviews yielded responses relating to short, medium and longer term outcomes. Given this position, the approach adapted to the costing of scenarios incorporated a mixture of methods reflecting timescales and the nature of the outcomes: see below.



Any time or support given to a family *prior* to the formal CAF process commencing has not been included in these costs. For some families, these service cost implications would be extremely high, for example where families have had high level of social care involvement for years prior to a CAF episode.

## Technical Appendix

### *Introduction*

This technical appendix provides additional detail on our approach to costing the case studies and future costs avoided. Throughout, we have sought to balance the need for rigour with the pragmatic philosophy of the LARC programme – one which has enabled the 21 participating Local Authorities to engage in the research and has developed their understanding of often new and unfamiliar concepts. In addition to describing our assumptions and any caveats, we have suggested some next steps for how this work can be developed further in future.

Two main sections follow – a description of our approach to costing the CAF process and resulting interventions; and a description of our approach to costing future scenarios and costs avoided.

### *CAF process and intervention costs*

#### *Principles*

In calculating the cost of time spent by staff involved in a CAF episode, we have used and built on data and methods already established, most notably by PSSRU<sup>2</sup>. In doing so, we have sought to be:

- **Inclusive.** We have asked “what was the full cost to the professional’s organisation in enabling them to provide support to a given family?”. This means considering not just salary costs or direct contact time, but also a wide range of overhead costs and activities.
- **Proportionate.** In considering the cost of staff time, our intention has not been to provide clinical accuracy. The costings are fit for the purpose intended – estimating the relative scale of costs and benefits for a range of CAF episode scenarios. This is in the context of inevitable uncertainty surrounding future outcomes and costs avoided.

#### *National data*

National unit cost estimates for a range of roles are provided in PSSRU’s annual publication ‘Unit Costs of Health & Social Care’. The most recent available version at the time of our research was from 2009, although 2010 is now available. Total annual costs include salary costs, plus a range of additional cost overheads:

- Salary on-costs (employers’ national insurance and pension contributions)
- A share of training/qualification costs
- Overheads, including equipment and managerial/administrative support
- Capital overheads (buildings/office space)

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<sup>2</sup> PSSRU is the Personal Social Services Research Unit, further information about their work can be found here: <http://www.pssru.ac.uk/>

In addition to *cost overheads*, we also take into account *time overheads* – either activities which support a particular family but are not spent in direct contact with them (for example liaising with another agency to provide an intervention) or time spent on activities not related to any particular family (for example, team meetings or annual leave).

PSSRU data also includes estimates for the average time spent on these ‘non-contact’ activities. This allows us to calculate two main hourly rates for each role – one which can be applied to all client-related activities (which includes an ‘uplift’ to cover the costs of non-client activities), and a higher rate which can be applied when we only have estimates of contact time spent with a family (which includes an ‘uplift’ to account for both non-contact client time and non-client time). These two possible approaches are demonstrated in the examples which follow.

#### Example 1 – social work assistant spends one hour with a family

The annual cost of employing a social work assistant including overheads is around **£33,600** (of which £21,200 is their salary). We know that they spent one hour meeting with a family, but do not know how much time they spent preparing for, travelling to, or following-up the meeting. However, we do know that on average a social work assistant spends **424 hours per year** on such direct contact. This implies we should cost this time at an **hourly rate of £79** (i.e. £33,600 divided by 424).

#### Example 2 – health visitor spends one hour with family and two hours additional time

The annual cost of employing a health visitor including overheads is around **£53,100** (of which £30,000 is their salary). They spent one hour meeting with a family, half an hour travelling, and another hour and a half in preparation/follow-up. On average a health visitor spends **790 hours per year** on such client-related activity (of which 542 hours are direct contact), and so we should cost these three hours at a rate of **£67 per hour** (i.e. £53,100 divided by 790).

### Other roles

There are a much wider range of roles involved in our case studies than the Health and Social Care workers for whom PSSRU data is available. For these other roles it was therefore necessary to apply the approach in a slightly different fashion. This consisted of combining salary estimates with analysis of PSSRU data to establish estimates of cost and time overheads.

In many cases salary information was available in the public domain (for example, teacher pay scales are published on the TDA website). Where this information was not available for a role then a judgement was made based on salaries for similar roles.

In order to estimate overheads, we first calculated for the roles included in the PSSRU data cost overheads as a percentage of salary and percentage non-contact and non-client time overheads. These were used to estimate 'high', 'typical' and 'low' rates. An appropriate rate was then chosen to reflect the nature of the new role we were estimating costs for. For example, a role which involves visiting clients in variety of locations and which has no fixed base may have lower than average capital overheads (by sharing office space with colleagues), but higher than average time overheads (reflecting the time spent travelling between appointments).

**Example 3 – Education Welfare Officer spends one hour with child**

PSSRU data does not include costs for EWOs; however, based on published figures annual salaries are around £24,000 (see [www.lgcareers.com](http://www.lgcareers.com) for example). In the absence of further information, we can then apply typical overhead rates derived from existing PSSRU data. In total this gives an annual cost of around **£40,000**.

Based on a working week of 37.5 hours, 41 weeks per year spent not on leave or in training, and a typical rate of 50 percent of time spent on directly in contact with clients, this implies that an EWO has **769 hours per year** of direct contact time. Combining these figures implies the one hour spent with the child cost **£52** (i.e. £40,000 divided by 769).

Clearly, in the absence of definitive data derived from detailed primary research, this approach is only able to give approximate costs. However, given the 'proportionality' principle described above, we believe that the degree of accuracy achieved is sufficient in this context.

### **Costing interventions**

There were two categories of intervention considered in the case studies. Firstly, interventions which can be defined solely in terms of time spent by a given professional – for example six one hour appointments with a child psychologist. These can be costed in the same manner as the CAF process, using an appropriate hourly rate.

Secondly, we considered interventions purchased as a package of support from a particular agency or third sector organisation. We assumed that the price paid for these services represented their true cost. Whilst this assumes that the service provider does not subsidise the cost from other sources of income, it was not possible within the scope of our work to investigate further. Similarly, we did not assign a financial cost to any time spent by volunteers in delivering an intervention.

**Example 4 –drug support programme provided by local charity**

A local charity runs a drug support programme for groups of six teenagers at a time, and charges the Local Authority £2,400 each time the programme runs. The charity runs a variety of other programmes, receives donations income, and employs a mixture of voluntary and paid staff. However, no data is available on their operations, and it is unclear to what extent donations and voluntary staff time contribute to the drug support programme. We therefore assume that the cost of sending a teenager on the programme is simply £400 (£2,400 divided by 6).

**Costing future outcomes****Introduction & principles**

There is a growing research literature which seeks to estimate the costs associated with various outcomes for young people or types of social problem. We have used this literature in order to estimate costs of the future scenarios considered for each of our case studies. Where possible we have sought to apply the following three principles:

1. Future costs include those to the whole of the public sector. In other words, this may include costs to other parties besides Local Authorities such as the youth justice system, and also other costs outside of the LA area (to either central government or other authorities).
2. Many of the outcomes considered have very long-term impacts, but where possible we have limited our costs to those which occur within 10- 15 years.
3. Wider economic or well-being impacts are not included (for example, for crime reduction in a community, the savings to the criminal justice system are included but if, for example, a value is estimated for the increased sense of security for residents then this is excluded). Whilst clearly important, financial estimates of these impacts are often very large but subject to significant uncertainty, and we did not wish to overstate the case for early intervention.

Note that it was not possible to apply these principles rigorously in all cases, because of limitations in the research that is available or the level of detail with which it is reported. Some caution is therefore necessary in comparing across different outcomes/case studies – nevertheless, the evidence provides a suitable indication of the level of costs avoided for each individual case.

**Approach**

There is a diverse range of research literature available, ranging from detailed academic research covering some areas through to high-level estimates only in other areas. Our approach was also very varied as a result – in some cases ‘off-the-shelf’ figures could be used with very little additional work, in others additional calculations and assumptions



were necessary. For each future outcome we began by searching for relevant research reports, and reviewed these in order to understand the methodology and assumptions. There were then three considerations in applying these costs to our case studies; the relevance of each varied according to the particular outcome and item of research being in question.

- **Selecting in-scope costs.** Identifying what proportion of the ‘headline’ figures reported in the research is in-scope given the principles outlined above. For example, one paper estimates the total annual cost of domestic violence in England and Wales to be £22.9 billion, however of this only £2.9 billion represents a cost to the state. For case studies where multiple outcomes were considered we also sought to avoid double-counting of costs (for example, if a young person is NEET and suffers from mental health problems, it would not be appropriate to value the impact of the mental health problems on employment chances).
- **Calculating costs per individual.** Costs are often estimated as national costs each year, whereas we are interested in individual costs over multiple years. Converting between these measures requires us to make assumptions as to how the costs for a given individual develop in each year – for example, costs to the welfare system associated with someone being unemployed may be concentrated in the initial period of unemployment, however the impact on future earnings may result in cost implications over a longer period of time.
- **Adjusting for the severity of the case.** For example, the annual costs of drug use are mainly concentrated in the problem cases which lead to intervention by health care or the criminal justice system. If we are only interested in a less severe case, it would therefore be inappropriate to simply divide total costs by the total number of drug users.

Further details on the types of outcomes considered for our case studies are provided in the main report.

### **Next steps**

LARC is an on-going research collaboration that is constantly developing. In relation to costs, and building on what has already been achieved through LARC3, future work will aim to:

- Further develop the set of principles on which the costings are estimated, and to seek ways of applying these more consistently across different roles, settings and outcomes.
- Build on the range of staff roles for which unit costs are available, and improve on existing estimates based on any further evidence that’s available
- Develop our bank of future costs – in terms of the breadth of outcomes included and the depth of information available for each.

## LARC3 participating authorities

The authors would like to thank everyone who participated in the interviews for this project, and to the LA LARC managers and strategic leads in each of the participating authorities. The participating authorities for LARC3 were:

<i>Name</i>	<i>Region</i>	<i>Type</i>
Birmingham City Council	West Midlands	Metropolitan
Bradford Metropolitan District Council	Yorkshire and The Humber	Metropolitan
Bristol City Council	South West	Unitary
Coventry City Council	West Midlands	Metropolitan
Cornwall County Council	South West	County
Cumbria County Council	North West	County
Devon County Council	South West	County
Hertfordshire County Council	East	County
Leicester City Council	East Midlands	Unitary
London Borough of Hammersmith and Fulham	London	London
Kent County Council	South East	County
Luton Borough Council	East	
Oxfordshire County Council	South East	County
Poole Borough Council	South West	Unitary
Suffolk County Council	East	County
Tameside Metropolitan Council	North West	Metropolitan
Telford and Wrekin Council	North West	Unitary
Torbay Council	South West	Unitary
Warwickshire County Council	West Midlands	County
Westminster City Council	London	London
Wigan Council	North West	Metropolitan

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