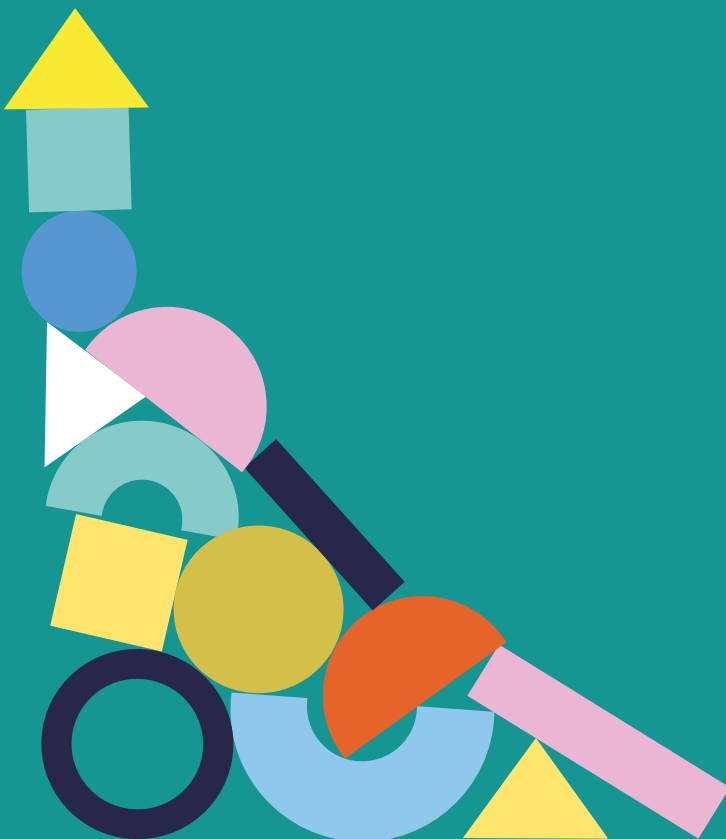


# the money



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This paper was written by Dr Katherine Trebeck and is her reflections on what was found as a result of the work done to **Follow the Money**.

To complement this, Katherine spent time understanding what the Care Review had been doing and what it had heard in the context of her work on the 'wellbeing economy'. Drafts of this paper were shared with the Care Review and its workgroups and their suggestions incorporated. Yet mistakes and any misconstruing of the material is the author's fault alone.

The Care Review knew from the stories it heard that the lifelong cost of the 'care system' is borne by the person who has experienced it. Many care experienced young people and adults talked about how experiences and decisions taken in their childhood had followed them throughout their lives.

Every year, Scotland invests around £942million in the 'care system'. The universal services which can be associated with care experienced people cost a further £198million per annum.

Despite this, Scotland's care experienced population has poorer outcomes than non-care experienced people in health, education and employment. Their lives are generally harder with more obstacles and their incomes are lower.

### **This failure of the 'care system' to meet the needs of children and adults and the impact this has on their lives also has an economic impact for Scotland.**

The work done to **Follow the Money** estimates Scotland's investment in 'failure demand' services. This refers to the cost of the services required to support care experienced adults as a result of them being failed by the 'care system' as children. This is estimated at £875million per annum.

If the care experienced community had the same outcomes and earned the same level of income on average as their non-care experienced peers, Scotland would realise an additional £732million per annum through increased tax and national insurance contributions.

The Care Review has further proved that, despite the substantial amounts of money being spent, Scotland's 'care system' is generating very poor outcomes for Scotland's children and their families.

**The Promise** outlines what a new approach to care should be. Delivering it will improve these outcomes and will make a material difference to public finances.

**Follow the Money** has produced the financial argument needed to challenge the way Scotland invests in its 'care system'.

The work to **Follow the Money** demonstrates that making this investment is entirely do-able. It is not unviable or infeasible.

## This is Scotland's chance to get it right for its children.

The Care Review has, from the beginning, been a root and branch review of the entire 'care system': its legal underpinning, its delivery, its context and its outcomes. This has meant casting a wide gaze that takes account of drivers and deep causes rather than just the symptoms and measurable impacts. It has also meant a critical analysis of the balance of current efforts, their effectiveness and, as such, their costs in the delivery of the 'care system' came into focus.



From the outset it was recognised that it was not enough to simply understand the amount of money spent on the 'care system' by either local or national government, or national bodies. The 'true' cost of the 'care system' extended beyond this, just as the impact of the system extends beyond the period spent in care, into the demand on services as a result of poorer experiences and outcomes. This brought a wide range of organisations and budgets into view and the intention has always been to maintain the wide perspective at the heart of the Care Review; looking across budget lines, service structures and organisational inputs to understand costs in the context of the person in receipt of the services, rather than through the lens of the system providing it.

**These costs are based only on the data it has been possible to find and analyse. There are gaps. Scotland collects data on the 'care system', its inputs, processes and outputs, rather than on what matters to the experiences and outcomes of the people who live in and around it.**

It is not possible to understand the number of adoption breakdowns and the outcomes of those who experience them, the ways in which siblings who have been separated are supported to see each other, or the number of different schools a child attends throughout their childhood.

**The costs borne by care experienced children and adults themselves (costs which are often intangible and sometimes even impossible to measure) are the most significant costs of the system.**

This work has, nonetheless, revealed some economic considerations. These emerge from two distinct directions:

- Firstly, the inadequate outcomes of the current 'care system' have implications on the public purse: when the 'care system' fails children and adults they fail in a way that hurts them, is avoidable, and drives more demand on services.<sup>1</sup>
- Secondly, the 'care system' in Scotland does not operate in a vacuum. Evidence from lived experience and a suite of analysis shows that the nature of the Scottish economy is currently a factor in the need for some children to enter the 'care system'.

The former demonstrates that investing in building a more loving, more supportive, more children and adults-centred 'care system' is something that Scotland can hardly afford not to do. The latter suggests that with an economy more aligned with delivering collective wellbeing, there will be less need for care services.

These insights, about the financial impact of inadequate care provision and the socio-economic context of care need, meet to paint a picture of a different economy for Scotland. This is an economy, a wellbeing economy, which generates less poverty, less insecurity, less anxiety, and less precariousness. An economy which focuses on measures of success beyond pounds and pence. It would be an economy that focuses on collective wellbeing and which recognises the long-term financial benefit of investment, prevention, work force support and flexibility – with institutions designed accordingly.

Throughout it is vital to remember that the financial argument for transforming the 'care system' does not provide the primary driver for change.

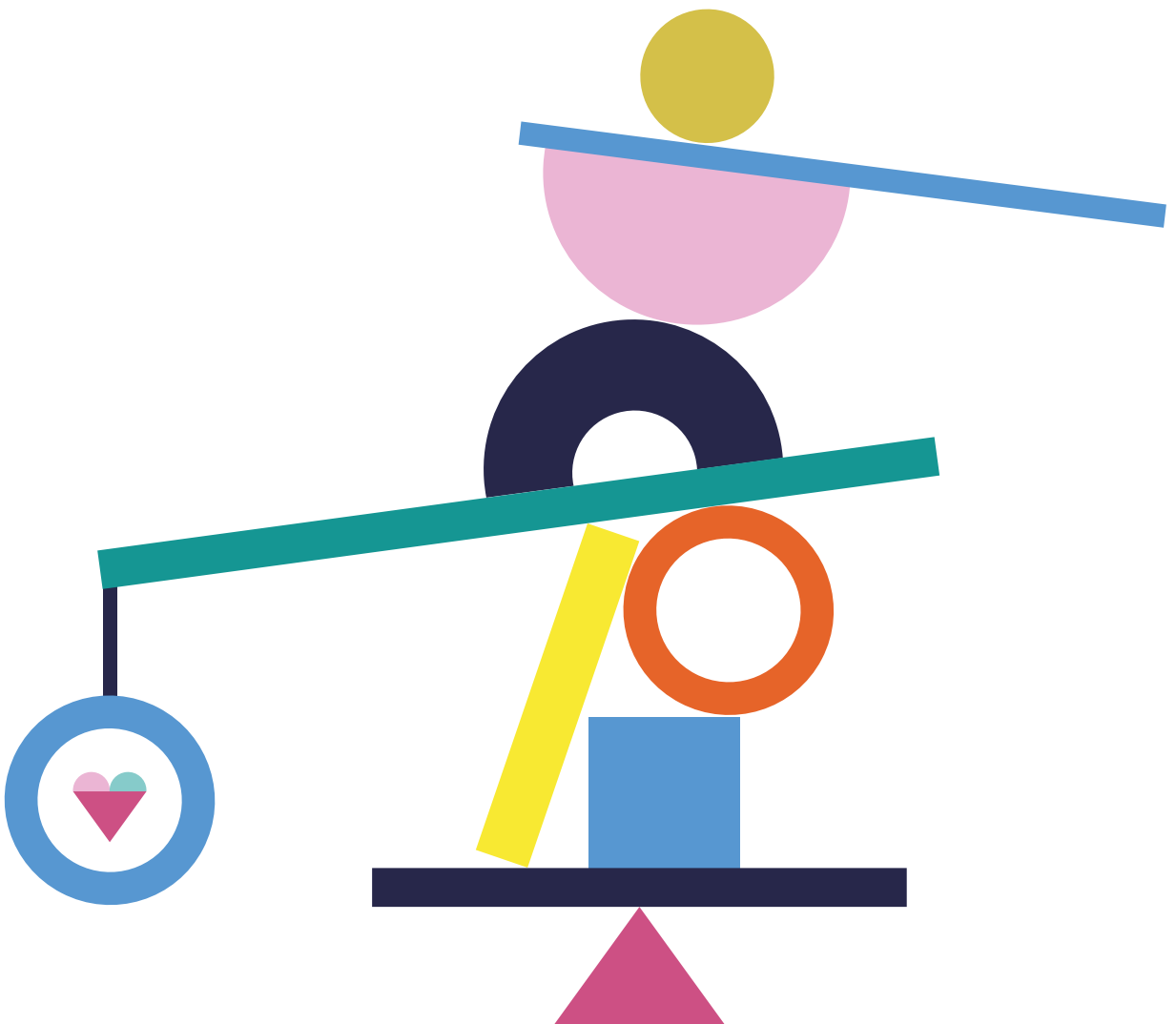
**What matters most is each child's experience and future; pursuing quality and effectiveness in the 'care system' while also building the best 'care system' in the world, is the right thing to do for Scotland's children.**

1 Note that in this paper, to avoid potential confusion arising from different uses of the word 'economic', costs that are borne by the public purse are referred to as 'financial' costs. Financial costs are those picked up by one (or more) level of government. Using the term 'financial' in such contexts means the 'economic' is reserved for use when referring to the wider, macro economy.

The human costs this work produced provide the reason why change must happen. Yet the financial cost of current failure is an important part of demonstrating that change is possible.

**The financial argument means that there is no excuse in financial terms that makes change unviable or infeasible. The financial discussion reveals that building a better ‘care system’ is entirely do-able, not least as substantial amounts of money are already being spent, but for very poor outcomes.**

To ignore the reality that there is a financial rationale is to deny the possibility of doing what is right for Scotland’s children. It is to deny that getting it right makes a material difference to public finances and that this can be measured and celebrated. The financial and economic perspective offers a supportive, enabling context rather than the reason to transform Scotland’s ‘care system’.



## The human costs of the current 'care system'

The human costs of the current 'care system' are best narrated by those who have experienced it. Those who shared their story with the Care Review spoke of significant impacts and experiences including trauma, emotional harm and stigmatisation.

These impacts take a toll on individuals. They then perpetuate through lifetimes and feed into financial costs. Several are pertinent to the wider economic and financial discussion:

- Care experienced children and adults are compelled to navigate overlapping and sometimes contradictory processes, protocols, and legislation. This can be stigmatising, time consuming, exhausting, demeaning and inefficient.
- Stability matters to positive experiences and future outcomes, but currently many children move frequently between homes, families and care settings. Multiple moves lead to missing school and trouble catching up, both of which have knock-on effects. A lack of planning around transitions out of care can mean young people risk homelessness.
- Care experienced children and adults, like everyone, want stability and security and experience stress when without it. Thus, consistent relationships are important.
- 'Toxic stress' takes a toll on individuals and their families. It undermines life chances. Care experienced children and adults have the same aspirations as everyone else, yet they do not always get the same opportunities – this is one of the most acute illustrations of the human cost of failure of the 'care system'.
- Care experienced children often lack the safety net that families can provide. For example, the average age of a child leaving the family home is 25. In contrast, the average age of leaving care is between 16 and 18<sup>2</sup>, the point at which the 'care system' effectively treats children as adults and expects self-reliance. Yet this is the population with invariably the fewest resources to be self-reliant. Care experienced children (like most children) need life-long support, for example in transition times, critical life moments, or simply for everyday advice. In contrast, for many children not in care, having their families as 'back up' enables more positive risk taking that expands opportunities.

2 See <https://www.celcis.org/knowledge-bank/search-bank/blog/2015/10/staying-put-move-forward/>



- Care provision is not sufficiently orientated to the needs of the child. Nor is it upstream: families need early intervention (it can be too late when support is actually provided), but report being scared their children might be removed if they ask for help early on. Families receiving services felt stigmatised and judged.
- Care experienced children can experience trauma long after they have left care and thus require mental health support at all points of their life. Perhaps most starkly, children who have been subject to secure care and restraint can experience scars and long-term repercussions – even into future generations.
- Those who are ‘looked after at home’ have the poorest outcomes. The poor execution of delivery and implementation of services can mean a lack of support for families which creates a paradox; the support of a family can improve opportunities and outcomes however the support currently provided to keep families together is insufficient to allow them to flourish.
- Finally, care experienced children and adults often do not feel loved while in care due to barriers (including policies and legislation) and concern about love being ‘professionalised’, possibly exacerbated by emphasis on worker qualifications, rather than empathy.

**Looking across these failings which are frequent, but not ubiquitous, it is clear that too often the ‘care system’ is not helping children thrive.**

Autonomy, competence and relatedness have been identified as fundamental human needs<sup>3</sup>: but it seems all too apparent that the ‘care system’ in Scotland, as currently constructed, does not deliver on this front. How can care experienced children gain autonomy if they are not allowed the freedom their peers enjoy and if their voices are not heard? How can they gain competence if others make decisions for them? And how can they invest in relationships if frequent moves undermine putting down roots? If children are not allowed the space to take risks and develop opportunities, they remain dependent on the system. What needs to always be at the forefront is the significance of the human impact and costs.

3 See, for example, Deci, E. L., & Ryan, R. M. (2000). The “what” and “why” of goal pursuits: Human needs and the self-determination of behaviour. *Psychological Inquiry*, 11, 227-268.

# Care experienced children bear the lifelong cost of care and are:

almost  
**one and a half**

times more likely to have anxiety at 16

almost  
**two and a half**

times more likely to be excluded from school up to age 16

almost  
**twice**

as likely to moderately use drugs at 16

almost  
**one and a half**

times more likely to have unauthorised absences at school at 16



Children living in the 10% most deprived areas of Scotland are 20 times more likely to become care experienced than those in the 10% least deprived areas.

# Care experienced adults bear the lifelong cost of care and are:

almost  
**twice**  
as likely to have  
poor health

over  
**twice**  
as likely to have no  
educational qualifications  
and less than half the  
chance of having a degree

more than  
**twice**  
as likely to  
have experienced  
homelessness

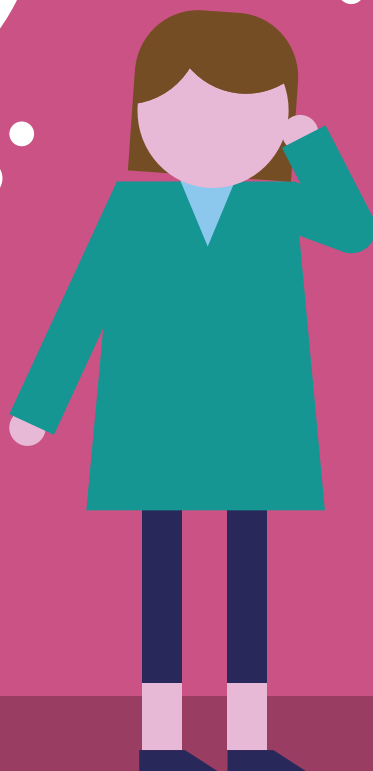
over  
**one and a  
half times**  
more likely to have  
financial difficulties

almost  
**twice**  
as likely to have no  
internet at home

over  
**one and a  
half times**  
more likely to  
experience severe  
multiple disadvantage\*

over  
**three  
times**  
as likely to have not  
had a full time job  
by age 26

on average, earn  
**three  
quarters**  
of the salaries  
of their peers



\*homelessness, substance use, mental health, offending

## What was learned from **Follow the Money**

The existence of a 'care system' and its subsequent failure to give all care experienced children the chances and resources they deserve has a range of implications. There are financial implications of the 'care system' that Scotland currently operates: the financial costs it imposes on the public purse from failing to deliver the necessary support and equity for care experienced children.

Most obviously and most importantly are those which fall on children and families themselves. But there are secondary concerns which have financial implications for a range of public agencies and government services.

**That the immediate outcomes of a transformed 'care system' matter most for children and their families does not negate that there will also be positive financial implications for other entities and budget lines from delivering **The Promise**.**

The Care Review thus sought to set out the costs of the 'care system' and the cost of 'system failure'; inherently difficult tasks which involved proxies, risks, assumptions, and probabilities.

Disentangling the costs of the 'care system' from factors that impinge on a wider population, for example, children living in poverty, is impossible to do precisely. But there is a weight of evidence that, together, points to the cost of care and cost of failure of the 'care system' as currently constructed. The costs of care can be split into the cost of the delivery of the 'care system' itself, and the cost of the universal services which surround the 'system'. The costs of failure tend to arise from the evidenced tendency for care-experienced adults to be substantially more likely to experience a range of problems and disadvantages and that these tend to require a public service response which entails extra public sector expenditure. Finally, there is the lost revenue and national insurance foregone as a result of lower life chances and outcomes of those who are care experienced.

Taking all of this together, the true economic cost of the current 'care system' is the cost of provision of the services and structures which make up the 'system' coupled with the costs of failure. As discussed below, some of the need for care provision at all can be linked to the current economic model and would hopefully reduce in a wellbeing economy.

## Thus, there are several avoidable costs:

- Those borne by care experienced children and adults themselves
- Those which flow from the 'care system's' current failure to the public purse
- Those which flow from the impact of an economic system that creates poverty, inequality and insecurity which is a factor in some drivers of care need.

Taking these costs into account makes it possible to envisage not just improved lives for care experienced children and adults, but the potential to realise long term financial gains: savings via avoided costs and as additional revenue. The long-term aspect of the human impact and of possible savings is evident, for example, when recognising that trauma is often passed down through generations. As Fitzpatrick and Bramley explain, there is 'a strong link between those experiencing multiple disadvantage now and their parents' experience of trauma'.<sup>4</sup> Again taking a positive counter perspective shows that investing in the lives and opportunities of care experienced children now can pave the way for better outcomes in generations to come.

Even in the immediate generation, it is clear from the experiences heard by the Care Review that care experienced people don't always get the same life chances as their peers. A chasm of opportunity and support can devastate families and relationships and go onto impact in adulthood.

**Put simply, investing in the lives of care experienced children is good for everyone in both the short and the long term.**

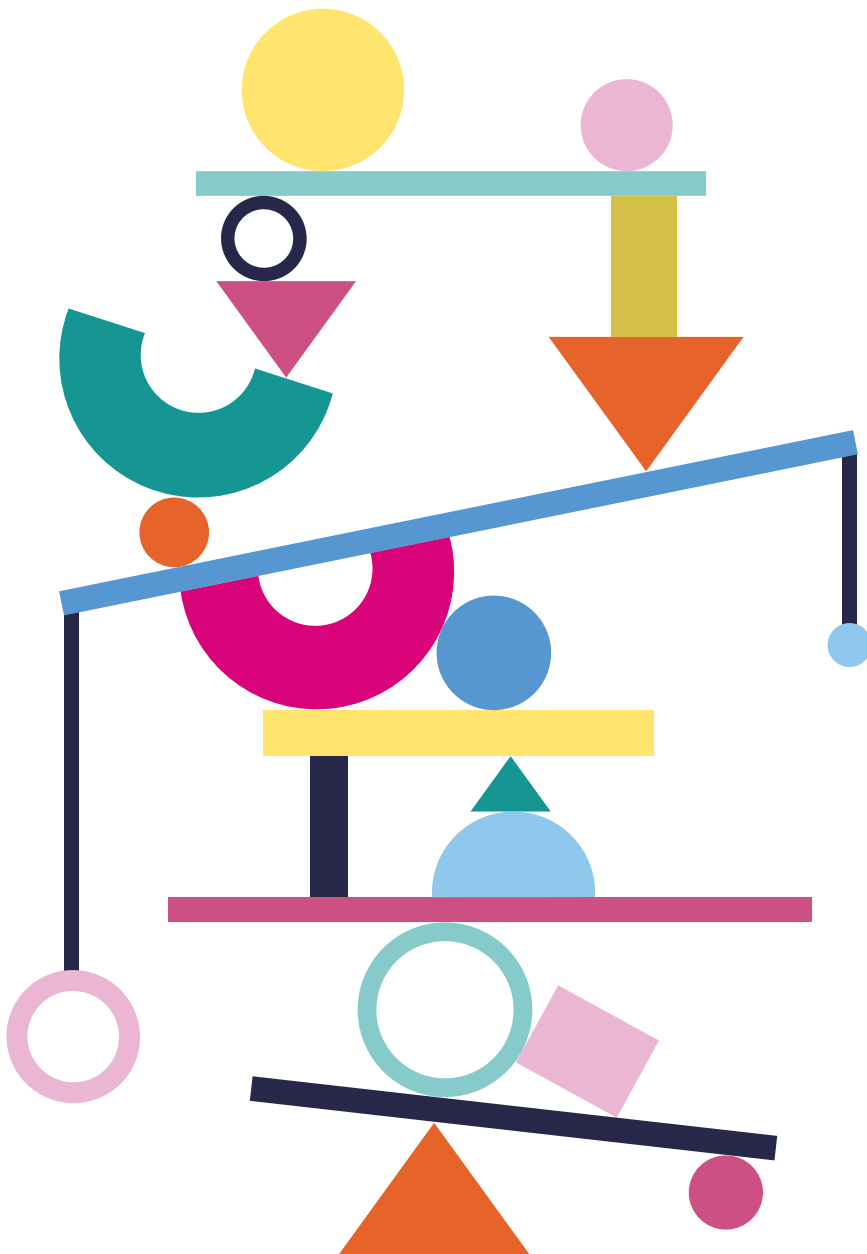
4 Bramley, G, Fitzpatrick, S, Wood, J, Sosenko, F et al (2019) Hard Edges Scotland. Heriot-Watt University, I-SPHERE, Lankelly Chase & The Robertson Trust, <https://lankellychase.org.uk/wp-content/uploads/2019/06/Hard-Edges-Scotland-full-report-June-2019.pdf>

# What was learned from **Follow the Money**

## The operational costs of the current 'care system'

Of course, even a world-class, loving 'care system' will require monetary resources to deliver: this constitutes the cost of care.

To better understand the operational costs of the current 'care system', it has been possible to roughly identify what is currently spent using cost data which can be directly linked and fully attributed to the 'care system'. The complete analysis can be found in the accompanying report (**Follow the Money**), however the total estimated operational cost across relevant budget lines relating to the Children's Panel, Children and Families Social Work, Children's Hearings Scotland, the Scottish Children's Reporters' Administration and the Looked After Children Pupil Equity Fund is £942million across Scotland as a whole.



### Other costs associated with the current 'care system'

The wider evidence base and available literature consulted by the Care Review demonstrates care experienced children and adults tend to generate higher costs than their non-care experienced peers. Beginning with the context in which the need for care can emerge, the evidence demonstrates that a wide range of factors relevant to the operation of the 'care system' are inextricably linked to poverty and deprivation. In Scotland, children in the most deprived 10% of small neighbourhoods were around 20 times more likely to be looked after or on the child protection register than children in the least deprived 10% and deprivation was the largest contributory factor in children's chances of being looked after.<sup>5</sup>

As discussed elsewhere in the Care Review, it is important to note that the economic context in which so many families live in Scotland, and the associated deprivation from many normal aspects of life, is not the entire explanation for care experience and is certainly not an iron-clad predictor (given that most children experiencing poverty do not need care). We need to be clear that we cannot conflate poverty with abuse and neglect, but there are both material and psychological aspects to the links between the wider economy and care experience.

At the point of entry to the 'care system', most children have experienced complex trauma and faced significant challenges early in life. Entry into care is itself often a distressing experience and brings with it a significant sense of loss. Those who shared their stories with the Care Review often emphasised that the experience of care had life-long consequences. Many of them described a continuing sense of stigma, isolation, and disadvantage as a result of their status as a 'care experienced' person. There is also ample evidence from public inquiries (including the Scottish Child Abuse Inquiry<sup>6</sup> (SCAI)) into the 'care system' that many children and adults have experienced trauma, abuse, neglect and hardship as a consequence of their time in care.

On a practical level, children often experience multiple moves during their time in care as well as disjointed service engagement adding to the uncertainty, inconsistency and lack of stability. These circumstances and experiences all lend themselves to an increased likelihood of additional support needs and greater need for service inputs. The calculation of spend using relevant budget lines from universal services and supports on which there is likely to be a greater demand from those who are care experienced produces an estimated additional spend of £198million for Scotland as a whole (see **Follow the Money** for complete analysis).

5 Bywaters, P., et al (2017) Identifying and Understanding Inequalities in Child Welfare Intervention Rates: comparative studies in four UK countries. Briefing Paper 4: Scotland. [https://www.coventry.ac.uk/globalassets/media/global/08-new-research-section/bp\\_scotland\\_0617.pdf](https://www.coventry.ac.uk/globalassets/media/global/08-new-research-section/bp_scotland_0617.pdf)

6 See <https://www.childabuseinquiry.scot/evidence/>

# What was learned from **Follow the Money**

## The costs of 'system failure'

The longer term financial costs of failure tend to arise from the evidenced tendency for care-experienced adults to be substantially more likely to experience a range of problems/disadvantages, quite often in combination, which tend to require public service response and thereby to incur extra public sector expenditure. These problems include unemployment, domestic abuse, mental and physical ill-health, offending, substance misuse, and homelessness, and the impacts may be seen within social security/welfare benefits, criminal justice, social work, housing and of course the NHS.

Collation and analysis (see **Follow the Money** for complete analysis) of all available relevant data sources places the long term financial cost of the failure of the 'care system' somewhere around £875 million. There is a similarly large number for the income tax and national insurance contributions not collected from care experienced adults because of low earnings/incomes, which reflect poor employment histories and prospects in terms of both actual employment and skill/pay level, as reflected in evidence on the educational attainment and post-school destinations of care leavers. The income tax and national insurance foregone as a result of those who are care experienced having a lower income and therefore contributing less to central government is estimated to be £732 million (see **Follow the Money** for complete analysis).





# Annually Scotland...



## What was learned from **Follow the Money**

### **What do these costs mean?**

What are the processes and mechanisms by which these financial costs are incurred? The Care Review heard that experiences pre-care can endure throughout care and beyond. Often they are not healed or dealt with. The 'care system' can further exacerbate challenges (for example, via the instability caused by multiple moves and inadequate support and emotional nurturing). This can mean children involved in the 'care system' are at the threshold of a suite of scenarios, any one of which could spiral and lead to further harmful outcomes.

### **The Care Review heard that for too many care experienced children and their families, there are ripple effects from the experience of care.**

Without good mental and physical health children and adults will require more support and services and will struggle to participate in society and the economy. If educational attainment is hindered adults are less likely to get jobs or if they do, they are less likely be jobs with decent levels of pay.

Essentially, if children and young people don't get opportunities they will have a narrower set of options as adults. This is a cause of stress which undermines their flourishing and puts burdens on their back which can cause them to stumble and stagger in a way that damages them, can harm others and drives demand for expensive, downstream services.



Arguments about policy and budget decisions in Scotland, whatever the subject area, are often constrained by short-term perspectives that limit the time frame in which benefits are recognised. The notion of a so-called 'financial envelope' can further limit what is available to spend. Viewing public sector budgets in isolation similarly ignores how investment in one area often results in savings in another.

## **The Care Review evidence paints a clear picture of the false economy of short-term, narrow thinking and budgeting that results in insufficient upstream investment in care experienced people and their futures.**

In the short term some expenditures might be avoided by operating within a narrow financial envelope, but this brings costs down the road – as seen above, in areas such as need for more educational support, housing support, social services, costs of crime and homelessness, and lower tax revenues. As children and adults' needs become more acute they necessitate a more and more expensive intervention. It foregoes the savings that can be realised via a caring, compassionate, child-centred 'care system' that equips all care experienced children with what they need to thrive.

## **The 'care system' needs to put in place the supportive skills, experiences, and resources all children and adults need.**

The current 'care system' operates from an efficiency and cost minimisation position rather than a caring one that aims for quality and effectiveness.

### **What do these financial costs tell us about the way care is delivered in Scotland today?**

What clearly emerges from the evidence heard by the Care Review is that for Scotland to be the best place in the world to grow up, the 'care system' must be designed differently. Fortunately, this is possible – read more in **The Promise**. One of the intentions of **The Promise** is that those providing care are fully equipped and encouraged to ensure Scotland delivers equity – so that no one with care experience can be identified by their experiences and outcomes.

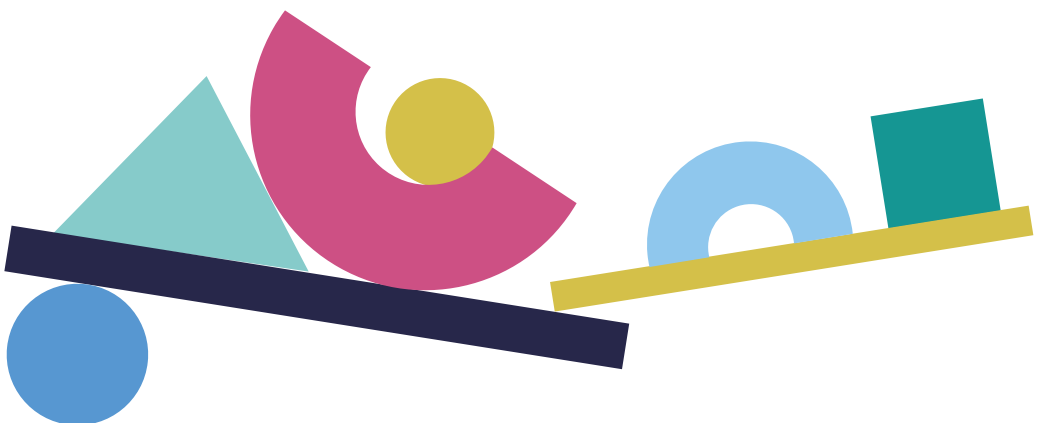
## What was learned from **Follow the Money**

The investment in the design and operation of the care system impinges on the ability of services and agencies to respond. It is seen in the overworked and stressed workforce and inadequate training provision. Resource decisions can compel short cuts and position financial considerations before moral and human ones. Unmanageable workloads for social workers have led to high levels of stress within the care professions and high turnover rates which compromise relationship stability.

Many people in the workforce already provide consistent loving relationships. However, the Care Review has also heard of a frustrated, anxious and overwhelmed workforce struggling to meet the needs of the children in their care with a lack of time for genuine and caring relationships. Visits often happen during school hours and conversations take place in complicated language that can be stigmatising, while processes demand that children have to frequently recount their experiences.

The prevailing 'care system' tends to work from individuals out – the unit of analysis for budgets and policies is individuals; how many children and adults, how many places.

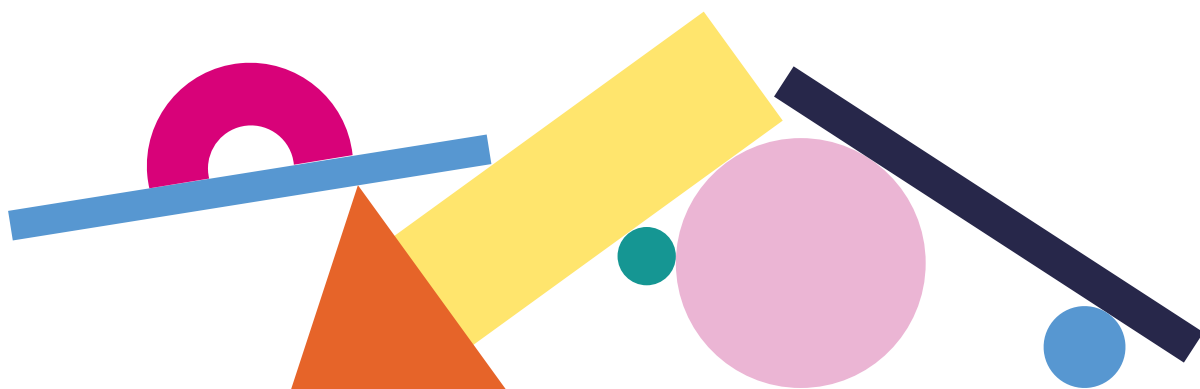
**But it is relationships which most matter to care experienced children and adults; relationships provide the protective factors which can help children and adults navigate life.**



## **Focusing on individuals within a family system compartmentalises children and adults' life experiences and undermines the strength of their collective internal resource and capability.**

A caring 'care system' would enable relationships between professionals and families, with consistent, needs-led provision. A caring 'care system' needs to also reward being supportive and nurturing, delivering quality and effectiveness rather than just being 'productive' or 'efficient'. This is a different sort of service from one centred around efficiency and is a nurturing 'care system' that makes best use of its resources.

It is not just in terms of service provision that funds seem to be misdirected, but also in terms of the way the economy values certain professions more than others. It has long been recognised that professions with the most social value are often the least well paid; the formal economy devalues what is most needed for individuals and communities to flourish. This is seen starkly in the 'care system'; the remuneration of care workers is profoundly disconnected from their social value. Similarly, the way resources flow suggests that more value is given to the foster carer taking on multiple children than the carer who has stuck with a smaller number throughout their lives. This is an illustration of how the economy can skew a sense of what matters can drive practice and hence reality.



## What does this mean for future investment?

The Care Review has illuminated many lessons for the Scottish economy writ large. More information on the impact of poverty on the 'care system' can be found in **The Promise**. Equally, an economics focus, termed here a 'financial focus' due to impinging on the public purse, has lessons for Scotland's 'care system'.

### **A wellbeing economy as a way to support positive caring contexts?**

Those who shared their story with the Care Review felt strongly that poverty needed to be dealt with so that fewer children are removed from their families. Without addressing the extent of poverty and inequality in Scotland, those avoidable circumstances that have potential to generate the need for care will remain: an indication of Scotland's collective failure to deliver good lives. This is a call to attend to some of the root causes of the demand for care services.

Can building an economy that is better at delivering collective wellbeing, is more equal and generates less poverty, play a part in reducing the prevalence of children taken into care? In Scotland and in other countries, there is growing attention on creating what is being referred to as a 'wellbeing economy'.<sup>7</sup> This is one that delivers dignity, protects and restores the natural world, builds connections and where institutions serve the common good, where justice in all its dimensions are at the heart of the economic system, where wealth and income inequalities are reduced, where everyone is actively engaged in their communities and economies are locally rooted.



7 See <https://wellbeingeconomy.org/what-is-a-wellbeing-economy-new-weall-ideas-paper>

These outcomes are non-negotiable in a wellbeing economy: at its core, a wellbeing economy is based on the idea that the economy should serve children, adults, families and communities, first and foremost. A wellbeing economy requires that the economy itself and actors within it are oriented to delivery of equitable distribution of wealth, health and wellbeing, while protecting the planet's resources for future generations. Crucially, a wellbeing economy would help build good lives for children and adults first time around, rather than requiring so much effort to patch things up as is currently (and inadequately) the case. A wellbeing economy will not harm children and adults and the environment to the extent today's economy does. Hence it will avoid having to deliver so much expensive down-stream intervention to fix the damage caused.

This agenda is being embraced – if partially and patchily – by, *inter alia*, Scotland with its National Performance Framework, in New Zealand with its Wellbeing Budget and Iceland with its wellbeing indicators framework. A large number of other countries measure collective wellbeing in all its dimensions – but are yet to repurpose their economies accordingly to the extent necessary. Beyond governments, there is a growing movement<sup>8</sup> of academics, communities, young people and adults, businesses, think tanks, and networks all supporting a reorientation of the economy that concerted pursuit of collective wellbeing demands.

The relevance of such an economic agenda for care is more fully outlined in **The Promise**. It explains that often, but by no means all the time, poverty is a factor in the drivers of care experience. It is clear that material help can have a positive impact on children safely staying with their families. Yet, today's economy currently unevenly provides adequate material resources. Since ensuring sufficient material resources plays a role in supporting families to cope, an economy in which more families have sufficient financial means is one which underpins the life chances of more children. Accordingly, in a wellbeing economy in which fewer children and adults are struggling materially, it can be expected this driver of care need will reduce.

**The benefit of a wellbeing economy can be understood through the lens of insulating children from risks. Yes, of course, even with insulation installed, fires still happen. But the risk will be reduced. Similarly, reducing poverty won't eradicate the need for care, but it will mitigate it and thus ease many of the pressures which can exacerbate or propel the need for care.**

8 See [www.wellbeingeconomy.org](http://www.wellbeingeconomy.org)

## What does this mean for future investment?

Building a wellbeing economy in Scotland will spark virtuous circles and generate co-benefits. Some of these might be realised immediately and some will take some time to arise. They will flow across a suite of domains. Scotland's National Performance Framework<sup>9</sup> for example brings together many of the areas a caring 'care system' would have benefits for. It has wellbeing, love and kindness at its heart and thus speaks to the sort of goals and mindset necessary for a caring 'care system' (though, arguably, until it is used more comprehensively to determine the goals of government policy and set government budgets, its potential remains somewhat latent).

### System design implications

It has been seen above that there is possibility of obtaining significant financial benefits by creating a 'care system' that much better enables children and adults to navigate life, which gives them the resources, including in terms of money, to follow their skills and interests, and, most of all, which is characterised by an inherent love for children. Obtaining such a system requires transformation of the 'care system' itself. The contours of this are set out in detail in the Care Review's **Plan** for delivery. This section specifically highlights some of the implications for the design of the 'care system' revealed by the human and financial costs of the failure of the current one. It is worth reiterating again that the realisation of these financial benefits (often in the form of savings) is not the business case for such investment and reallocation of public money.

**The benefit to children and their families is the primary reason for a redesign of the 'care system'. Spending on those who need it, particularly to invest in such vital relationships, should not be seen as a cost.**

Recognition of this can open up a reallocation of resources – away from crisis management towards prevention. At the policy level, imagine if government budgets classified investing in young children and adults with care experience as vital and as much of an investment as building physical infrastructure? Would that enable drawing on investment budget lines, with their long-time frames?

At the family and individual level, prevention is just as important: the Care Review heard that early, good, supportive help, including parenting education, is necessary. It also heard that financial support to families means they can provide clothes for their children, activities and school materials. This requires that workers in the 'care system' can access funds when needed – they need to be able to say 'yes, I can help with that' when they are needed.

9 See <https://nationalperformance.gov.scot>



The ability of the 'care system' to ensure skills and resources are provided whether children live with their families or not is vital, with considerable financial benefits opening up as a result. Everyone benefits from having a family to turn to when in financial hardship, even if financial support is never actually required or provided, knowing that support is there can enable risk taking and striding out into the world. The Care Review also heard that whereas many (though of course not all) non-care experienced adults can often turn to their families for help to get on housing ladder or for education and qualifications, or simply for support and a listening ear, for those with care experienced this was rarely the case.

Whereas families with the means to do so frequently underwrite the choices of their children (explicitly or implicitly), for care experienced children the 'care system' needs to do this – or risk putting them at a disadvantage from day one of adulthood. Finding a way to mirror family as underwriter for care experienced children would clearly yield a range of beneficial outcomes.

In terms of other support, the Care Review heard that some care experienced individuals were never taught to manage money. Again, the 'care system' needs to find a way to mirror the 'life infrastructure' that families often provide.

**Ultimately, the Care Review often heard that open ended support would mean care experienced children and adults can plan for the future more freely, with no worries about restrictions, age and time constraints being imposed.**

A 'care system' focused on children and adults and the outcomes they need, rather than provision being determined by short term financial perspectives, means measuring success in the longer term and in the broadest sense. A focus that emphasises quality and effectiveness has potential to draw on the most relevant skill sets at necessary times and to avoid duplication and unnecessary intervention. It both encourages and relies on co-production, partnership, integrated decision-making and 'diagonal budgeting' (even pooled budgets) that recognise that no single intervention is likely to be solely responsible for an improvement. This in turn is contingent on common assessments of success and impact. Such a 'care system', with its scope to improve the wellbeing and life changes of care experienced children and adults can be expected to deliver substantial returns on investment.

## What does this mean for future investment?

### Measurement

Clearly, these changes necessitate new ways of measuring impact and success. Measurement processes need to define success in a broad sense of the term and deploy tools that enable the full suite of outcomes to be appreciated. In practice this means a richer process, including qualitative evidence, compared to often simple cost-benefit analysis that struggle to capture longer term savings and returns.

**It is about welcoming the value to be created rather than simply weighing up the cost of delivery. It means measures that enable accountability for outcomes rather than inputs alone, with provision being 'needs outward' rather than slotting children and adults into a system-determined offer. This approach is about moving from thinking in terms of cost to investing in prevention – and giving all actors the means to make this shift manifest.**

Measurement tools such as social return on investment can estimate the contribution to a broader notion of success of an intervention. SROI takes 'proxy values' deemed to relate as closely to an outcome as possible.<sup>10</sup> Proxies are needed because many sought outcomes are not economically based. It focuses on the outcomes most important to people and, via the use of proxies, can tally up an estimate of the layers of outcomes in monetary terms. Such analysis can be used to justify investment and to head off any dismissal of delivery of **The Plan** as simply a cost item and thus something to be cut in times of financial constraint.

There are inherent challenges in this wider approach, especially when traditional or narrow economic approaches remain dominant. **The Plan** requires upfront investment with the savings and other financial benefits to come over time. This means they are often hard to attribute as there are complex links between an intervention and outcomes.

10 See [https://neweconomics.org/uploads/files/c001655a17a776e886\\_gkm6bpycu.pdf](https://neweconomics.org/uploads/files/c001655a17a776e886_gkm6bpycu.pdf)

**This does not undermine their importance:  
just because the evidence does not fit usual  
economic ledgers does not mean the merit  
of such investment should be dismissed.**

Design of the 'care system' as outlined in **The Promise** requires concepts such as 'best value' and 'performance measurement' to be re-thought. The benefit of this shift in approach to measuring impact is clear; spending on prevention is economically viable when account is taken of the costs of getting it wrong. This perspective offers a more effective use of public resources over the longer term via returns to the economy and public purse.



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