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What is the financial cost of Child Protection?

AIMS Journal, 2015, Vol 27 No 1

Child Protection is a huge money earner and this means that decision making is not financially unbiased. Last year over 4,000 babies in the UK were placed on the 'At Risk Register' before they were born and hundreds are taken into care soon after. Without doubt some of those babies were truly at risk, but many of them were taken for very questionable reasons. Conflicts of interests, where decision-makers stand to benefit financially from the decisions they are making, can seriously bias decisionmaking[1] Very large financial interests are in play. Williams[2] has suggested how some of these financial processes operate:

After 20 years of outsourcing, the bulk of children's homes are run by private companies, with money sucked upwards into one or two private equity companies, GI Partners or Bowmark Capital or BairdCapital. Two-thirds of fostering provision is controlled by the private sector. Only 11% of children's homes are run by charities; the third sector started off quite big in children's care, as you'd expect, meeting local-authority contracts by spending their own reserves. Eventually, though, the private sector underbid them, and they went bust or moved into other services.

Having whittled down the competition, the private sector became eye-poppingly expensive: £200,000 is actually a low estimate, based on overall spending of £1bn on 5,000 children in residential care homes in England. In 2009, it was leaked that CastleCare, which runs 40 homes in Northamptonshire, was charging £378,000 a year for a residential place. This would be money well spent if the care was brilliant, but it isn't. Only 2.5% of children's homes have an Ofsted rating of "outstanding..[1,2]

The cash flow does not stop there. Many psychiatrists, paediatricians and lawyers are earning huge fees giving councils the opinions they want. Give the wrong opinion and they are not asked again. Add to that the money paid to foster carers, care workers and social workers the costs are eye watering. Who benefits? Certainly not many of the babies and children. Indeed, if some of the money was spent on supporting families, it could have long term benefits for families and society, and cost less.

References

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