



NSW Department of Community Services

“Doing Evaluation Better at the NSW Department of Community Services”

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PART 1: INTRODUCTION

The NSW Department of Community Services (DoCS) is the leading community services organisation in NSW and the largest child protection agency in Australia. DoCS' core work focuses on child protection. This begins early on with prevention and early intervention strategies to help build strong families and communities and help children, particularly those facing social and economic disadvantage, grow to have positive lives. DoCS helps to keep children safe from harm and provides care for those who cannot live at home for many varied and complex reasons.

DoCS programs aim to protect children from abuse and neglect, to enhance their cognitive and social development, and provide further supports necessary for them to lead independent, well-adjusted and fulfilling lives as young people and adults. Achievement of these objectives impact on children in the short term and into the longer term, and also affects carers, their siblings and peers, the wider community and taxpayers.

In December 2002, the NSW Government announced an additional \$1.2 billion funding package for the Department over six years to boost child and family services. The package includes:

- Early Intervention Program;
- Additional caseworkers and supports;
- Service systems reform, including performance-based contracting with non-government (NGO) service providers; and
- Consolidating and extending Out-of-Home Care (OOHC) services.

DoCS has committed to building a solid evidence base to ensure that the policy and program development funded by this package is underpinned by robust evidence. This is helping us make more informed decisions about how to best support children and families as early as possible, to provide out-of-home-care with a stable and supportive environment and to reduce the trauma and costs associated with child abuse. Program evaluation at DoCS assists in demonstrating the impacts of our programs on clients and assessing a program's value for money.

This paper covers the approach to evaluation at DoCS and highlights some of the evaluation work currently being conducted, including the evaluation of the NSW Early Intervention Program, 'Brighter Futures' and the OOHC Evaluation. It is structured as follows:

Part 2 covers the framework guiding evaluation activity at DoCS, including the Evaluation Guidelines and Economic Evaluation Guidelines and the DoCS Evaluation Agenda, the organisation of evaluation activity, and also explores the Results Based Accountability Framework and how it is applied at DoCS.

Part 3 explores the three main components of evaluation activity at DoCS, namely; process, results and economic evaluation.

Part 4 highlights the broad range of evaluation activity undertaken at DoCS, including the evaluation of the NSW Early Intervention Program, 'Brighter Futures', and the OOHC Evaluation.

PART 2: DoCS' EVALUATION FRAMEWORK

Government agencies are increasingly being required to demonstrate the outcomes achieved for their clients and to show accountability for their funding.

In order to raise awareness for this need, the Economics, Statistics and Research Directorate (ES&R) was established within DoCS' Service System Development Division. ES&R combines experts in evaluation, statistical analysis, research and economic evaluation. Integration of these analytical teams into the one directorate is enabling DoCS to enhance its evaluation capabilities and helps to ensure that evaluation activity is efficient and effective.

ES&R coordinates all evaluation activities within DoCS to ensure that appropriate levels of resources are allocated to approved evaluations and to ensure that the results of an evaluation can be captured to inform existing research and service models, policy and program development and improvement, and future funding arrangements. ES&R has established a framework to guide the evaluation process.

Evaluation essentially involves placing a value on, or assessing the value of, a particular program or strategy. ES&R has developed the DoCS Evaluation Guidelines, which set out a comprehensive framework for program evaluation and contain information on reporting requirements for evaluation, explanations about the types of evaluations and information on different methodologies for conducting evaluations. To complement these guidelines, ES&R has also developed Economic Evaluation Guidelines. These guidelines aim to ensure that the full range of costs and benefits of new policy, regulatory, and operational proposals and alternative options are considered so that the option which delivers the greatest net benefit is selected.

In order to coordinate evaluation activity, ES&R develops the DoCS Evaluation Agenda on an annual basis. The Evaluation Agenda is a strategic document which sets out approved evaluations to be conducted over the financial year. It aims to prioritise evaluations with high impact and strategic importance, enable planning of ES&R resources, and avoid any potential duplication in evaluation activity. One of the components of DoCS' business planning is that areas nominating evaluations for the Agenda need to have the proposed evaluations, including the required evaluation resources, identified in their Business Plan.

The Evaluation Agenda links evaluation activities to key priorities outlined in DoCS' Corporate Directions. The main focus of the Evaluation Agenda is on the most significant, large-scale and complex evaluation work to be conducted or managed by ES&R staff. The Evaluation Agenda represents part of the broad strategy to ensure a stronger focus on evidence-based decision-making for policy making and service delivery, and to improve DoCS processes and systems to support frontline service delivery. Therefore, for evaluations to be included in the Agenda, the program or policy would be strategically linked to the key priorities in the Department's Corporate Directions.

Evaluations at DoCS incorporate the Results Based Accountability (RBA) framework, which has also been adopted by NSW Human Services Agencies and NSW Treasury. RBA involves identifying the desired results and determining appropriate performance measures to assess the program's achievement against the results. The approach begins with the key outcomes and then works backwards to develop the means by which to get there. For instance, RBA is being applied to the funding of preschool services in NSW. The desired result, an increased proportion of children who are enrolled in their year prior to school, can be measured by the number of additional preschool places created over time.

PART 3: RESULTS, PROCESS AND ECONOMIC EVALUATION AT DoCS

DoCS' comprehensive approach to evaluating a program or strategy incorporates three main components:

- *results evaluation* to determine the impact and effectiveness of the program in achieving results for the client group;
- *process evaluation* to determine the strengths and weaknesses of a program's systems and processes, including program implementation and service delivery; and
- *economic evaluation* to determine whether the program is achieving the greatest benefits for the client group, relative to the program's cost.

While the above three evaluation components have a specific focus, they are not mutually exclusive. This is particularly the case for the results and economic evaluation, as the assessment of program benefits for the economic evaluation relies on an assessment of the relative impact of the program on clients through the results evaluation. The majority of evaluation activity at DoCS incorporates all three of these evaluation components.

Results Evaluation

Results evaluation examines the impact of a program by investigating whether changes for clients can be directly attributed to the program and whether there have been any unintended consequences of the program. A results evaluation needs a reasonable statistical basis to enable assessments of whether outcomes for clients are the result of the program, or whether they are the result of other factors. In particular, results evaluation should be cognisant of social and economic factors, such as rates of drug and alcohol abuse and mental health issues, impacting on the achievement of DoCS objectives.

Impacts of DoCS programs are generally not limited to direct clients, but can extend to their families and the wider community. For example, carers can potentially benefit from an early intervention program through improved parent-child relationships, improved health and better employment opportunities. In addition, impacts of DoCS programs are generally felt over time. For example, short-term gains such as reduced rates of child protection re-reporting can lead to medium-term savings for DoCS through reduced entry into OOHC and longer term savings for the wider community through reduced incidence of crime, increased economic production due to greater workforce participation and the avoidance of public spending on welfare, crime, and health care.

Results evaluation at DoCS aims to collect data over the longer term and across a range of program stakeholders so that the full spectrum of program impacts can be identified. Quantitative methodologies for identifying and measuring program impacts are generally preferred over qualitative methodologies. This is to enable program impacts to be measured comparably and also to be translated into monetary terms as far as possible for economic evaluation.

Process Evaluation

Process evaluation covers an assessment of a program's processes and procedures. It can be conducted during the implementation phase of a program (formative evaluation). Process evaluation tests the design of a program by investigating the operational aspects of the program's implementation. It identifies which processes and activities are working well and which are having a negative impact on the success of the program.

Process evaluation is often conducted on pilots or trials of programs to determine whether the program should continue in its current form or be changed prior to further implementation. Process evaluation is particularly important for an organisation such as DoCS which is currently piloting a number of new programs and policies.

The process evaluation component of DoCS's evaluations include an assessment of whether the program is being implemented according to the original intentions, whether systems and processes are appropriate for clients and caseworkers or other staff, the types, levels and duration of service being provided, and whether the program delivered an appropriate mix and level of services to the intended client group.

Economic Evaluation

Economic evaluation is a method of systematically analysing the costs and benefits associated with a program to assess its overall value, and whether the program is good value for money. An important element of economic evaluation is that alternative options for achieving the stated objective(s), in addition to the program in question, are assessed. An economic evaluation also demonstrates how benefits and costs are distributed across program stakeholders e.g. clients, DoCS, other government agencies, etc.

DoCS programs have significant social and economic benefits. For instance, study findings show benefits of child welfare initiatives to society include reduced incidence of crime, increased economic production due to greater workforce participation and the avoidance of public spending on welfare, crime, and health care. Direct participants of programs have been shown to benefit in terms of higher educational attainment leading to greater economic self-sufficiency, reduced involvement in criminal activities and improved general and mental health. Economic evaluation can assist in better quantification of these types of benefits and provide a more balanced assessment of the relative merit of a range of alternative options.

At DoCS, a range of valuation techniques are used to place a monetary value on the benefits of child welfare and protection programs. These techniques include market-based techniques, which use observable market prices to value changes; surrogate market techniques, which use price differentials in a related market to estimate the values placed on child welfare; and survey-based techniques, which rely on deriving a person's willingness to pay when there is an absence of market price information.

PART 4: KEY EVALUATION PROJECTS

Some examples of current DoCS evaluation activities follow.

4.1 DoCS Early Intervention Program, “Brighter Futures”

The DoCS Early Intervention Program, ‘Brighter Futures’, is a new initiative providing targeted support to vulnerable children and families to prevent their problems from escalating to crisis point. The social benefits of this program are supported by a growing body of Australian and international research showing that early intervention services reinforce family relationships, promote healthy child development and prevent child abuse and neglect.

This program is being rolled out across New South Wales over five years, and over time DoCS will spend \$150 million to fund a range of community-based government and non-government services. In order to assess the effectiveness and efficiency of the program, DoCS has appointed the Social Policy Research Centre at the University of NSW to undertake a four year independent evaluation of the program.

The evaluation findings will assist in the development of improved capacity to provide effective and economical early intervention services to children and families while allowing DoCS to build upon the current knowledge about early intervention services and refine the program over time. DoCS recognises that maximising the return on this important investment, and being able to demonstrate that there are social and financial returns, is critical to securing future funding for similar initiatives. The evaluation is large-scale, comprising results, process and economic components, as described below.

4.1.1 Results evaluation

A comprehensive data set will provide detailed data on client families, including demographic information and ongoing contact with the child protection system. In addition, a Family Survey has been developed to assess outcomes in child socio-emotional development, parenting practices and family functioning. It will be offered to all program clients three times – at program entry, after six months and at program exit (approximately two years). A sample of 200 families who were assessed as eligible but who did not enter the program will form a comparison group and be offered the survey at similar intervals to program clients.

A key feature of the survey is that it is being implemented by caseworkers rather than researchers. Overall feedback from caseworkers has been positive, with caseworkers reporting the survey provided an opportunity to discuss some issues with families in greater detail than normally undertaken in their casework.

More intensive research is being undertaken with a sample of 120 families to determine in greater detail the impact of the program on child outcomes and identify the characteristics and processes of successful early intervention approaches.

A final component of the results evaluation will be an Indigenous study. The design of this study will be informed by emerging findings from other components to ensure that the evaluation resources are most strategically targeted to inform program development.

4.1.2 Process evaluation

The process evaluation reviews the effectiveness of the program administration and implementation. This will be conducted in four observation sites (three metropolitan and one regional). It will use a mix of qualitative and quantitative research methods including semi-structured interviews with ten families, four service providers, six caseworkers, and two case managers at each site. Regional and central administrators will also be interviewed and program service data will underpin this study.

4.1.3 Economic evaluation

The economic evaluation is comprised of two related types of analyses – cost-effectiveness and cost-benefit analysis. The cost-benefit analysis looks at the short and long term costs and benefits of the program in monetary terms to determine its overall value for money. The cost-effectiveness analysis looks at what works for whom, under what circumstances, and at what cost.

Benefits of the program can be measured from the point of view of the direct participants, Government agencies such as DoCS, and the wider community. Expected short-term benefits of the program are reduced rates of child protection re-reporting leading to better child development outcomes in the medium term, leading to better adult outcomes in terms of economic self-sufficiency and mental health in the long-term. Various economic techniques will be used to express these benefits in monetary terms. Evidence from longitudinal studies of similar early intervention programs and available administrative and survey data will also be used to predict the monetary impact of the Program over time.

4.2 Out-of-Home Care

The chief goal of the OOHC Program in NSW is to provide a safe and nurturing environment for children and young people who cannot live with their birth families, whether temporarily or permanently. The OOHC service system is complex and has a number of key stakeholders including children, young people and their families, carers, non-government and government agencies. Designated agencies, including DoCS, provide placement, supervision and support activities and are responsible for the authorisation of carers who have responsibility for daily care and control of the child or young person.

OOHC placement and support services are part of a continuum of integrated service provision to children and families in NSW. Children and young people remain in care for differing periods of time. Some children remain in care for short periods prior to returning home; others remain in care until they reach 18 years of age. Some children experience multiple admissions to care, whereas children and young people who remain in care for long periods may also experience multiple placements. Such instability often leads to poorer long-term results as measured by education, unemployment, standards of living, emotional well-being and interpersonal relationships. As at 30 June 2006, a total of 10,623 children and young people were in OOHC. At that time the rate per 1,000 of children and young people in OOHC was 6.7.

Of the additional funding announced in 2002, \$1.2 billion over six years, \$613 million will be allocated to OOHC in 2007/08. The additional funding encompasses more general reforms to service funding and includes new OOHC caseworkers in DoCS, funding to expand the range of placement options and services, training and additional support for foster carers, and expansion in the range and availability of service options in the community for children and young people with challenging behaviours.

A request for tender process to provide consultancy services to design and implement an evaluation of the OOHC Program has recently been completed. Development of the evaluation design is due to commence as soon as contract negotiations have been completed with the successful consultancy group.

The evaluation will take place over a four year period and will include a process evaluation to review the administration and implementation of the program; and an economic evaluation covering an assessment of the value for money for the program as a whole. The evaluation will identify, as far as possible, the characteristics of OOHC service models that provide significant benefits to children and their families. The evaluation findings will assist in the provision of improved OOHC services to children and young people. The evaluation approach will be built upon the RBA model. The evaluation will run in tandem with a large scale five-year longitudinal study of children and young people in OOHC.

4.3 Intensive Family Based Services (IFBS) Program

Aboriginal children and young people are significantly over-represented in DoCS' client base. The IFBS program provides a short-term, intensive, home-based service for Aboriginal families in crisis, whose children are at risk of entering OOHC placement due to protective concerns, or where the children have been placed in OOHC and restoration is under consideration. The aim of the program is to prevent unnecessary placement of children away from their families by providing in-home services to enhance the families' ability to respond to crisis and minimise the risk of harm to the child or children. IFBS works intensively with client families over approximately three months in which time families are taught skills such as child management, communication and negotiation.

The evaluation is examining the efficiency, effectiveness and appropriateness of the IFBS program in meeting its intended results of providing intensive home-based support to client families, and ensuring that Aboriginal children and young people return to, or stay in their own homes or within their community. DoCS seeks to determine whether the interventions used by IFBS are appropriate to the needs of Aboriginal client families and whether the program contributes to reducing children and young people being placed in OOHC.

The evaluation methodology includes analysis of available quantitative program data, including financial data and service counts, a literature review of other family preservation models targeting Indigenous clients, and analysis of outcomes for children who received the intervention in terms of the number of re-reports made and any entries into OOHC. Structured interviews with DoCS caseworkers (who make referrals to the IFBS) and IFBS Managers covering the effectiveness of the referral process and strengths and weaknesses of the program are also being conducted. An Indigenous consultant was contracted to conduct the fieldwork with IFBS staff and past clients. A comparison group, consisting of children who were referred to the IFBS but were not able to receive an IFBS intervention due to capacity constraints, will be used to measure the relative impact of the program on child outcomes.

To ensure that the program's benefits and costs are quantified in monetary terms as far as possible, economic evaluation is a key focus. Program costs such as specialised staff training and caseworker effort will be considered alongside program benefits such as reduced rates of re-reporting, reduced placement into OOHC, and improved parent-child interactions and compared with costs and benefits for the comparison group. The economic evaluation component will also include a supply and demand analysis for IFBS.

PART 5: CONCLUSION

The impacts of DoCS programs have significant and lasting effects on numerous stakeholders within the community. These generally include not only the children they assist, but also their families and carers, their peers and the wider community. As such, being able to assess a program's impacts on stakeholders is essential in guiding DoCS in its decision making.

DoCS has developed a set of Evaluation Guidelines and Economic Evaluation Guidelines which provide guidance on the different types of evaluation concepts and methodologies, their purpose, and steps for conducting evaluations. Three main forms of evaluation are currently used within DoCS, most commonly in combination. These are process evaluation, results evaluation, and economic evaluation.

The additional funding of \$1.2 billion over six years announced in 2002 has increased the need for DoCS to show accountability for decisions made and ensure the allocative efficiency of funding. This has led to the increasing importance and use of evaluation to demonstrate the effectiveness and efficiency of programs in social and economic terms.

As the evaluation process becomes more integrated into its DoCS' operations, the quality of evaluations will improve over time, leading to more informed decision making. Recently, the Department has commenced a major evaluation of its key Early Intervention Program 'Brighter Futures'. DoCS recognises that maximising the return on this important investment, and being able to demonstrate that there are significant social and economic returns, is critical to securing future funding for similar initiatives.