



Public Health
England



UK Focal Point
On Drugs

Estimating drug-related public expenditure in the United Kingdom

Charlotte Davies – UK Focal Point on Drugs





Studies

- 2007 - EMCDDA Selected Issue chapter

Comprehensive estimate of labelled and unlabelled drug-related expenditure. 2005/06 data

- 2010 – Cross-Government mapping of labelled drug-related expenditure

To provide the UK Focal Point with labelled drug-related expenditure data for 2005/06 to 2010/11 and for national purposes

- 2012 – EMCDDA Selected Issue chapter

Comprehensive estimate of labelled and unlabelled drug-related expenditure using updated methodology for unlabelled. 2010/11 data.



Approach used - labelled

- Labelled expenditure drawn from administrative systems
- Spreadsheet sent to government departments in England:

Department	A Description of Labelled Expenditure	B Activity by Designated COFOG Classification - include reference number	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	D Notes on Expenditure Return, Forecast Outturn or Indicative Budget Figures (note any annual changes to designated budget structure and/or inclusion(s) or exclusion(s) - also changes to labelled status if budget expenditure allocated to non- labelled expenditure)
MOJ/NOMS	Accredited Drug Treatment Programmes (prison)	3.4	19.400	21.700	21.700	21.800	22.400	22.4	Please note that all prison funding relates to allocations made to establishments. Neil Irving supplied 22/09/09
	CARATs and IDTS non clinical (prisons)	3.4	26.700	30.300	32.100	33.000	34.200	34.2	Neil Irving supplied 22/09/09
	Young People's Substance Misuse Service (prisons)	7.2	dna	4.700	4.700	4.700	6.500	6.5	This funding is transferred from the Youth Justice Board to NOMS for the delivery of YPSMS (for offenders aged between 15 & 17) in Young Offender Institutions. (This may be double counted in the Youth Justice Board Figure below)
	Prison Clinical Services (DH)	3.4	11.300	11.300	11.300	11.300	11.300	11.3	Neil Irving confirmed on 28/09/09 that this funding is transferred directly to Primary Care Trusts (PCTs) for the commissioning of clinical drug treatment in prisons
	Supply Reduction (Prisons)	3.4	6.200	6.200	6.200	6.200	6.200		The spend for supply reduction is integrated with the generic duties of security staff and cannot be disaggregated.
	Mandatory Drug Testing (prisons)	3.4	1.100	1.600	1.800	1.800	1.800	1.8	This does not include the cost of the staff who undertake testing.
	Drug Rehabilitation Requirements / Drug Treatment & Testing Orders	7.2	42.000	22.000	22.000	22.000	22.000	22	DRR/DTTO funding is made via allocation to the pooled treatment budget managed by DH. £20m of this was a permanent transfer in 2006/07. Neil Irving confirmed 22/09/09
	Prospect Programme	dna	3.100	0.000	0.000	0.000	0.000	0	
	HQ & Regional Support for substance misuse services	3.4	1.500	1.500	1.500	1.500	1.500		We don't hold any data relating to the HQ and regional support for SM.
	Voluntary drug testing/Compact-Based Drug Testing (prisons)	3.4	10.400	8.300	8.300	8.300	8.300	8.3	Voluntary Drug Testing has now been renamed Compact-Based Drug Testing
	FRANK	9.5	dna	3.130	2.000	2.000	2.000	0.152	Jan Annan confirmed 24/09/09
	Adult PTB	7.2	275.900	338.300	351.300	351.300	359.300	359.3	This is the DH contribution to Adult PTB. MOJ contributions are shown separately. Jan Annan confirmed 24/09/09



Approach used - labelled

- **COFOG classification used** – nationally used classification
- **Programme based** – sometimes difficult to classify to one heading
- **Allocations rather than actual expenditure**
- **Mainstream funding** –analysis of treatment plans and related financial documentation of 149 Drug Action Teams (DATs). Labelled?
- **Trends data presented in real terms** - adjusted to 2005/06 prices



Results - labelled

Labelled public expenditure on drugs by COFOG category in the UK, 2005/06 to 2010/11 (£ million): adjusted to 2005/06 prices

COFOG category	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
01 – General public services	37.1	80.5	70.6	69.9	56.1	44.4
03 – Public order and safety	220.3	267.8	242.1	247.6	259.8	238.0
07 – Health	545.0	582.3	578.3	592.4	592.9	560.2
09 – Education	7.4	5.3	4.0	3.8	3.5	0.4
10 – Social protection	62.8	48.2	29.4	7.0	10.3	10.0
Total	872.6	984.0	924.4	920.7	922.6	853.0



Results and analysis - labelled

- In real terms, expenditure decreased over the period by 0.5% (increased by 13% in nominal terms)
- Some changes due to mainstreaming of funding into wider grants not necessarily reductions in funding – Area Based Grant
- Labelled expenditure predominantly health expenditure – treatment
- Limited analysis of labelled expenditure possible due to way that expenditure is recorded – treatment also covers low threshold
- In 2010/11 labelled drug-related public expenditure accounted for 0.17% of public sector expenditure



Obstacles – labelled

- **Continued political support** - exercise only possible due to political will. Commenting on changes in expenditure can be problematic, particularly when adjusting for inflation.
- **Localism agenda** - movement away from centralised decision making with local areas taking on responsibility for public health in England.
- **Mainstreaming of funding** – movement away from drug specific expenditure into wider health and social expenditure. Early interventions – reflects predominate theories around wider determinants of health.
- **Addressing alcohol issues** – as drug and alcohol services become more integrated, it will become increasingly difficult to separate expenditure.

Approach used - unlabelled

- Identify areas of expenditure
 - Drug law offences – policing, court and prisons
- Requires knowledge of funding structures
 - Prescription costs in Scotland not included in labelled treatment expenditure
 - Personal social care services for drug users not included in labelled in Scotland
 - Funding from mainstream health and local authority budgets not included in labelled in Scotland
- Identify sources of data on drug-related activity
 - Prisoner numbers, people proceeded against in court, recorded crime
 - Previous studies/research
- Identify sources of cost data
 - Unit costs data, overall COFOG expenditure



Approach used - unlabelled

- Decision to estimate public expenditure on consequences of drug use
- Allows identification of financial flows, which is important for evaluating effects of drug policy
- Drug-related crime - policing, court and prisons
- Hospital costs – including drug-related conditions such as treating infectious disease
- Child and family social work
- Welfare benefits related to ill health due to drug use



Policing drug offences

- Four different approaches considered after reviewing available data:
- Activity-based costing model using 2007 findings and 2010/11 financial data;
- Micro-costing model using data on method of detection for drug offences, average time spent per method of detection, unit cost data and data on the number of drug investigative officers;
- Gross-costing (arrests data) – proportion of all arrests that is for drug offences and apply to overall police expenditure;
- Gross-costing (recorded crime) – proportion of all recorded crime that is for drug offences and apply to overall police expenditure

Estimation method	Estimated cost
Activity data	£423m
Gross-costing (arrests)	£1,377m
Gross-costing (recorded crime)	£795m
Micro-costing	£41m



Court and prison expenditure

- Court expenditure on prosecuting drug offences
 - Micro-costing – Number of people proceeded against at court x unit cost per court cases
 - Gross-costing – Proportion of court cases that were for drug offences x overall court expenditure
- Prison expenditure for drug offences
 - Micro-costing – Number of drug offenders x average cost of a prison place per prisoner
 - Gross-costing – Proportion of prisoners who are drug offences x overall prison expenditure

Method	Court	Prison
Micro-costing	£180.1 million	£511.8 million
Gross-costing	£266.5 million	£637.7 million



Methodological considerations

- Micro-costing v. gross-costing method
- Gross-costing provides higher estimates
- Will include offences that are of higher cost
- Prison – Category A Offenders – higher cost
- Policing – 69% of drug offences are cannabis possession – lower cost
- Given such wide variations, how robust are these estimates?
- Changes in wider system unrelated to drugs may impact on expenditure
- Changes to legal aid entitlement
- What type of expenditure should be included in the study?
- External/reactive/indirect expenditure?



Results

Category	Expenditure (£m)	% of unlabelled spend	Proactive or reactive
Police – drug offences	£966.0	15.4	Proactive
Police – drug-related crime	£1,664.6	26.6	Reactive
Courts – drug offences	£266.5	4.3	Proactive
Courts – drug-related crime	£459.0	7.3	Reactive
Prison – drug offences	£637.7	10.2	Proactive
Prison – drug-related crime	£430.7	6.9	Reactive
Total public order and safety	£4,424.5	70.6	
Unlabelled expenditure on drug services from mainstream health budgets	£57.0	0.9	Proactive
Unlabelled substitution treatment prescription costs	£28.0	0.5	Proactive
Infectious disease	£47.3	0.8	Reactive
Neuropsychiatric conditions	£44.4	0.7	Reactive
Cardiovascular disease	£2.3	0.0	Reactive
Maternal drug use	£0.9	0.0	Reactive
Unintentional injuries – motor vehicle	£5.0	0.1	Reactive
Inpatient poisonings	£10.4	0.2	Reactive
Intentional injuries - suicides	£10.3	0.2	Reactive
Assault	£0.8	0.0	Reactive
Infection site wounds	£15.6	0.3	Reactive
Total health expenditure	£222.0	3.5	
Child and family social work	£1,420	22.7	Reactive
PSS – substance misuse	£27.5	0.4	Proactive
PSS – HIV/AIDS	£0.6	0.0	Reactive
Welfare benefits	£170.8	2.7	Reactive
Total social protection	£1,618.9	25.8	
Total unlabelled expenditure	£6,265.4	100.0	



Overall results 2010/11

	Health	Public Order and Safety	Other	Total
Unlabelled	£112.5m	£1,870.2m	£0	£1,982.7m
Labelled	£626.4m	275.7m	£69.4m	£971.5m
Unlabelled	5.7%	94.3%	0%	100%
Labelled	64.5%	28.4%	7.1%	100%



Changes between studies

- Elimination of double counting
- Social services expenditure in England
- Identification of additional items of expenditure
- Scottish mainstream health expenditure
- Clear identification between reactive and proactive expenditure to help identify policy flows
- Use of gross-costing method for estimating public order and safety expenditure on drug offences
- Major changes in the way the expenditure on consequences was calculated



Final thoughts

- The rationale behind carrying out a study should be explicit as this determines the most appropriate methodology
- How often should such studies be carried out?
- Majority of expenditure is unlabelled public order and safety expenditure on dealing with drug offences
- Effectiveness of law enforcement activity is difficult to determine
- Public expenditure studies cast doubt on the cost-effectiveness of drug-related law enforcement activities – often politically unpalatable