

DDN



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FALSE ECONOMIES



Think residential rehab is prohibitively expensive? The numbers tell a different story, says **Richard Johnson**

Why are less than 4 per cent of those in need of addiction treatment referred for residential? Is the belief that it is too expensive accurate? This needs to be fact checked considering the recent Dame Carol Black Independent review of drugs part two, and the imminent launch of the government's Joint Combatting Drugs Unit.

Much has been made of the cost of residential making it prohibitive as a local government funded form of treatment, despite the long-term benefits to the client. In 2018, myself on behalf of ANA Treatment Centres and Treflyn Lloyd-Roberts, CEO of Yeldall Manor, submitted a Social Impact Bond (SIB) bid to the Cabinet Office. To meet stringent government application requirements, we had to demonstrate social impact from

a financial, as well as community, perspective. It was deemed successful.

Then began a meticulous and detailed review of the costs associated with one person attending a period of residential treatment and post-treatment early recovery supported housing over two and a half years, compared with the likely costs of continued addiction in the community, assuming involvement with a range of authorities.

This article provides that detail. It also strongly suggests that residential treatment, compared to continued addiction or sporadic community-based treatments, is not expensive. It justifies the case for ring-fenced and re-centralised funding for residential treatment, in support of the *Independent review of drugs*.

To challenge the long-held view that residential treatment is prohibitively expensive for

meaningful local government funding, it was necessary to look at the likely costs of not providing treatment to offer a basis for comparison. Costs in 2018 for a 2.5-year treatment journey at ANA Treatment Centres (Yeldall Manor's were similar) that takes one person from active addiction to living independently and employed or studying for a recognised qualification are as follows, based on today's fees and housing benefit average income per room per week:

- Detox and 24 weeks treatment (primary residential and then community living skills) = £20,040 (funded treatment)
 - 104 weeks housing in supported early recovery housing (known as ANA WORKS) = £26,000 (enhanced housing benefit funding)
- Total cost per person**
= £46,040 over 2.5 years
- Total cost per person per year**
= £18,416

The first six months addresses physical addiction and building resilience and recovery capital, psychosocial interventions, life skills and health, and a residential rehab programme. The following two years support abstinence and community-based living,



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health, nutrition, resilience, financial planning, education, work experience and future security in supported housing.

During this time, residents receive one-to-one and group support at home and in one of our centres (funded charitably), support with future rent deposit savings, links to our local FE college and university for education and skills programmes, and the local recovery community and employment or voluntary opportunities through a network of businesses and agencies. This ultimately affords the client the benefits of independent living,

employment, contributing via taxation, building a pension, and re-joining the wider community.

The costs of the person remaining in active addiction were calculated following extensive research by our SIB bid support partners; Bates Wells, a UK top 100 law firm, Ethos, an organisational development consulting firm, and the office for the West Midlands police and crime commissioner. Their figures are already in the public domain and calculated by their lead policy officer for substance misuse. Unit cost analyses were derived from standard data sources including Manchester’s New Economy database. (See box right.)

The savings analysis has been prepared on a prudent basis, with some items including costs of alternative health interventions and volume of police involvements being potentially much higher. Savings increase in parallel with the client’s physical and mental recovery – living independently, working, paying taxes, and contributing to society.

So clearly, the cost of residential treatment is not high – indeed it saves huge amounts of public money. However, country-wide agencies such as DWP and benefits agencies, criminal justice and police, NHS, GP services and the Department of Health and Social Care work independently of each other are not concerned with each other’s budgets or savings. The only way to look at the public purse beyond individual organisations is to take a holistic view of funding and cost savings from the source – central government.

On 8 July this year, the government announced the formation of the Joint Combatting Drugs Unit that will ‘bring together multiple government departments – including the Department of Health and Social Care, Home Office, Ministry of Housing, Communities and Local Government, Department for Work and Pensions, Department for Education and Ministry of Justice – to help tackle drugs misuse across society’. This will make it perfectly placed to manage and allocate ring-fenced budgets for targeted and effective drug treatment, whilst realising and quantifying the

Costs calculated by SIB bid support partners; Bates Wells, Ethos, and the office for the West Midlands police and crime commissioner

Costs based on the following assumptions:

One person in active addiction over the same period relating to the following service areas alone:

- Use of the health service and GP
- Drug-related death data
- Social care costs and benefits
- Drug-related crime

There are obviously other areas that could have increased these figures if included, for example, use of community drug services. Please note that these figures are specific to West Midlands.

Cost of active addiction per person over 2.5 years
= minimum £155,800

Cost of active addiction per year
= minimum £62,320

Cost savings per person in residential treatment over 2.5 years
= minimum £109,760

(this would fund an additional 2.4 people to enter the residential treatment programme)

**Cost savings per person in residential treatment per year
= minimum £43,904**

savings and expenditure associated with treatment decisions and outcomes.

These figures also have implications for community drug services providing home-based and local community interventions while referring a very small percentage for detoxification and rehab. During the times individuals are engaged with these services, they can be incurring many of the costs detailed above.

Community services and residential facilities should be working far more closely together to address and manage these issues through more targeted treatment that supports the health of the individual, including more referrals to residential treatment and consequently reduce the associated costs of continued addiction.

With such significant potential savings available, these need to be monitored together with the effectiveness of residential treatment over this longer time frame. Rehabs would welcome this scrutiny and recognise that success rates are not close to 100 per cent. We deal with a relapsing condition but aim for a completion rate of over 65 per cent – ANA Treatment Centres average completion rates for the last

five years are 73.6 per cent.

So when fact checked, the cost of residential treatment is not expensive. Indeed, with the ability to support clients to regain their health and exit treatment and the benefits cycle completely, it provides vast cost savings to UK PLC. But to realise these savings, budget allocation for residential treatment needs to be centralised, monitored and ring-fenced to avoid the internal financial focus of individual budget holding agencies.

Doing so will allow us all to focus on the health of those in need of help for addiction and on the wellbeing of communities in general across the UK, drastically reducing drug-related deaths whilst redirecting savings towards other people in need.

It is also high time that residential services, which have struggled for decades to survive and provide services due to poor levels of funding and protracted tendering processes, are afforded the recognition that they so richly deserve.

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