Home Office

IMPACT ASSESSMENT FOR THE DRUG STRATEGY 2010

Title: Impact Assessment for the Drug Strategy 2010	Impact Assessment (IA)
Lead department or agency: Home Office **Other departments or agencies:** Department of Health Department for Education Department for Work and Pensions Department for Communities and Local Government Ministry of Justice	**IA No: HO 0027**
	Date: 06/12/2010
	Stage: Final
	Source intervention: Domestic
	Type of measure: Primary legislation
	Contact for enquiries: Frances Hardy

SUMMARY: INTERVENTION AND OPTIONS

WHAT IS THE PROBLEM UNDER CONSIDERATION? WHY IS GOVERNMENT INTERVENTION NECESSARY?

Drugs matter to the whole of society. From the crime impact on local neighbourhoods to the corrupting effect of international organised crime, drugs have a profound and negative effect on communities, families and individuals. This strategy sets out how the Government will bear down on those criminals seeking to profit from others' misery, how it will protect young people by preventing drug use and how recovery reforms will enable and support individuals to become free of dependence on drugs and alcohol and reintegrate into their local communities and contribute to society. The Drug Strategy enables Government to link these various facets together and ensures that we have a coherent and joined-up approach to tackling the crime and damage that drugs cause to our society.

WHAT ARE THE POLICY OBJECTIVES AND THE INTENDED EFFECTS?

The key policy objectives are:

1) Reduce demand for illicit drugs by preventing use and restricting the supply of illicit drugs into the UK.

2) Support those that are dependent on drugs and alcohol to recover, ensuring more people are tackling their dependence, recovering fully and contributing to society.

The intended outcomes will be:

- Reduced illicit and other harmful drug use

- Increased number recovering from their dependence on drugs or alcohol

WHAT POLICY OPTIONS HAVE BEEN CONSIDERED? PLEASE JUSTIFY PREFERRED OPTION (FURTHER DETAILS IN EVIDENCE BASE)

Option 1 - Do nothing

Option 2 - Introduce the measures laid out in the Coalition Programme document and the Drug Strategy (please see pages 12-13 for a list of the policies contained in the Drug Strategy)

Option 2 is the preferred option- see evidence base for further details

When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?	It will not be reviewed
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

SELECT SIGNATORY SIGN-OFF FOR FINAL STAGE IMPACT ASSESSMENTS:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: ..... **Date:** 06/12/2010

SUMMARY: ANALYSIS AND EVIDENCE POLICY OPTION 2

DESCRIPTION: IMPLEMENTATION OF NEW DRUG STRATEGY

Price Base Year	**PV Base Year**	**Time Period Years 10**	**Net Benefit (Present Value (PV) (£m)**		
			Low: Optional	**High:** Optional	**Best Estimate: N/K**

COSTS (£m)	**Total Transition** (Constant Price) Years		**Average Annual** (excl. Transition) (Constant Price)	**Total Cost** (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate	N/K		N/K	**N/K**

DESCRIPTION AND SCALE OF KEY MONETISED COSTS BY 'MAIN AFFECTED GROUPS'

The temporary banning power for so-called "legal highs" is an enabling power and therefore has no direct impact. There will be some limited additional economic and financial costs incurred by Government as a result of the introduction of the Drug Strategy; however we have not included the value of these monetised costs owing to the early phase of development and the potential commercial sensitivity of such analysis.

OTHER KEY NON-MONETISED COSTS BY 'MAIN AFFECTED GROUPS'

There will be transitional and ongoing costs relating to a number of the new policies within the Drug Strategy that will primarily affect the public sector. Details will be included in the individual impact assessments for Police and Crime Commissioners (PCCs), National Crime Agency, Public Health Service 'Healthy lives, healthy people White Paper: Our strategy for public health in England', the Schools White Paper and the Ministry of Justice Sentencing and Rehabilitation Green Paper 'Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders'.

BENEFITS (£m)	**Total Transition** (Constant Price) Years		**Average Annual** (excl. Transition) (Constant Price)	**Total Cost** (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate	N/K		N/K	**N/K**

DESCRIPTION AND SCALE OF KEY MONETISED BENEFITS BY 'MAIN AFFECTED GROUPS'

The short-term benefit cost ratio for drug treatment is **2.5:1** (DTORS, 2009). This includes economic and social costs and benefits but excludes potentially significant benefits in reduced dependency of welfare state provision e.g. safeguarding and benefit costs. In addition, if the treatment benefits are sustained over a longer term, the benefit cost ratio could be considerably higher.

It has not been possible to quantify the monetised benefits of the remaining policy provisions owing to the early phase of policy development.

OTHER KEY NON-MONETISED BENEFITS BY 'MAIN AFFECTED GROUPS'

Reduction in demand for prison places; reduction in drug related crime; reduction in costs of re-offending and crime through effective rehabilitation; reduction in costs to health and social care services; savings in transfer and welfare payments; and improvements in health and employment outcomes for offenders through effective rehabilitation.

KEY ASSUMPTIONS/SENSITIVITIES/RISKS DISCOUNT RATE (%)

See individual impact assessments for PCCs, NCA, Public Health Service White Paper, the Schools White Paper and the Ministry of Justice Sentencing and Rehabilitation Green Paper.

Impact on admin burden (AB) (£m):			**Impact on policy cost savings (£m):**	**In scope**
New AB:	**AB savings:**	**Net:**	**Policy cost savings:**	Yes/No

ENFORCEMENT, IMPLEMENTATION AND WIDER IMPACTS

What is the geographic coverage of the policy/option?			England, England and Wales or UK depending on the policy.		
From what date will the policy be implemented?			December 2010		
Which organisation(s) will enforce the policy?			Home Office		
What is the total annual cost (£m) of enforcement for these organisations?			N/A		
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			N/A		
What is the CO2 equivalent change in greenhouse gas emissions? (Million tonnes CO2 equivalent)			**Traded:** N/A	**Non-traded:** N/A	
Does the proposal have an impact on competition?			No		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			**Costs:** N/K	**Benefits:** N/K	
Annual cost (£m) per organisation(excl. Transition) (Constant Price)	**Micro**	**< 20**	**Small**	**Medium**	**Large**
Are any of these organisations exempt?	No	No	No	No	No

SPECIFIC IMPACT TESTS: CHECKLIST

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...	Impact	Page ref within IA
Statutory equality duties[1]? Equality and Human Rights Commission: General guidance	Yes	17
Economic impacts		
Competition? Competition Impact Assessment	No	
Small firms? Small Firms Impact Test	No	
Environmental impacts		
Greenhouse gas assessment? http://www.defra.gov.uk/environment/index.htm	No	
Wider environmental issues? Guidance has been created on the Defra site	No	
Social impacts		
Health and well-being? Health: Health Impact Assessment	No	
Human rights? Ministry of Justice: Human Rights	No	
Justice?	Yes	17
Rural proofing? Commission for Rural Communities	No	
Sustainability?		
Defra: Think sustainable	No	

EVIDENCE BASE (FOR SUMMARY SHEETS) – NOTES

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in References section.

REFERENCES

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Implementation).

1 Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

No.	Legislation or publication
1	Drug Strategy Consultation- Autumn 2010
2	The Misuse of Drugs Act 1971 http://www.legislation.gov.uk/ukpga/1971/38/contents
3	The Coalition: Our Plan for Government, HMG (2010) (http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf)
4	"Policing in the 21st Century" consultation paper (July - Sept 2010)
5	"21st Century Welfare" consultation paper (July - Oct 2010)
6	NHS White Paper : "Equity and excellence: Liberating the NHS" (July - Oct 2010)
7	National Security Strategy : "A Strong Britain in an Age of Uncertainty" (published Oct 2010)
8	Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders (forthcoming)
9	Healthy lives, healthy people White Paper: Our strategy for public health in England (published Nov 2010)

EVIDENCE BASE

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

ANNUAL PROFILE OF MONETISED COSTS AND BENEFITS* - (£M) CONSTANT PRICES

	Y_0	Y_1	Y_2	Y_3	Y_4	Y_5	Y_6	Y_7	Y_8	Y_9
Transition costs										
Annual recurring cost										
Total annual costs										
Transition benefits										
Annual recurring benefit										
Total annual benefits										

* For non-monetised benefits please see summary pages and main evidence base section

EVIDENCE BASE (FOR SUMMARY SHEETS)

A. STRATEGIC OVERVIEW

A.1 BACKGROUND

1. This overarching Impact Assessment has been developed to provide an overview of the benefits, costs and savings provided by the new 5-year Drug Strategy. It is supported by detailed impact assessments within the Public Health Service White Paper 'Healthy lives, healthy people: Our strategy for public health in England', the Schools White Paper and the Ministry of Justice Sentencing and Rehabilitation Green Paper 'Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders' which cover the key policies contained within the strategy.

2. Individual impact assessments have been produced for the Police and Crime Commissioners (PCCs) and the formation of the National Crime Agency (NCA) and will be published upon introduction. The provision in the Police Reform and Social Responsibility Bill that will provide for the temporary control of drugs is an enabling power and, as such, has not been subject to an impact assessment. Individual impact assessments will be published each time the power is exercised, in the same way they are when a drug is brought under permanent control under the Misuse of Drugs Act 1971 (the 1971 Act) .

3. The strategy sets out a range of policies that will deliver a fundamentally different approach to tackling drugs and a new ambition for enabling those individuals dependent on drugs and alcohol to recover. It signals a shift in power and accountability to the local level, including through the introduction of PCCs and the establishment of the Public Health Service. It also makes clear where some actions will necessarily be driven at the national level, including the work of the NCA to tackle the availability and supply of drugs to the UK and the disruption of drug trafficking upstream. As a number of these policy options are in the early development stage the overall costs and benefits of delivering the strategy cannot be monetised.

The strategy sets out two high level ambitions:

- We will reduce illicit and other harmful drug use; and
- We will increase the numbers of individuals recovering from their dependency on drugs or alcohol

A.2 GROUPS AFFECTED

4. The groups affected by the policy will include the following:
   - Individuals affected by drug use or alcohol dependence, their children, their families, parents and all members of communities impacted by drug use and alcohol dependence
   - Practitioners working in treatment services
   - Primary Care Trusts (PCTs)
   - Inter-agency drug action teams and local partnerships, including Drug Action Teams (DATs), Drug and Alcohol Action Teams (DAATs) and Community Safety Partnerships (CSPs)
   - Law Enforcement agencies and all parts of the Criminal Justice System (CJS)
   - Voluntary and Community Sector
   - Educational institutions
   - Local Authorities

- Children Services
- Jobcentre Plus
- Housing providers
- Government:

  The Home Office (HO)

  Department of Health (DH)

  Ministry of Justice (MOJ)

  Department for Education (DfE)

  Department for Work and Pensions (DWP)

  Department for Communities and Local Government (CLG)

A.3 CONSULTATION

Within Government

HO

DH

MOJ

DfE

DWP

CLG

Foreign and Commonwealth Office (FCO)

National Treatment Agency (NTA)

Serious Organised Crime Agency (SOCA)

UK Border Agency (UKBA)

PUBLIC CONSULTATION

5. An online consultation was agreed as the primary method to capture drugs sector organisations, other key partners and public views.
6. The consultation was launched on the dedicated Drug Strategy consultation page of Home Office website.
7. The Home Office communicated to its main partners as identified below, and the NTA and other government departments were encouraged to take the lead in communicating to the partner audiences to which they have input.

Targeted Stakeholders
• Community Safety Partnerships • Drug and Alcohol Action Teams (ex/current service users, families, carers etc) • Local Government / Local Authority Chief Executives • ACMD • Association of Chief Police Officers • VCS groups: DrugScope, Adfam, Turning Point, UKDPC, The Alliance, Adaction • Eata (DH specific)
• VCS groups: Nacro, Clinks, PRT, VS, Acevo, Phoenix, RAPt, EATA, NACRO, AA & other self help groups
• Jobcentre Plus policy leads for employment and affected benefit areas • Team/Regional & District Drug Leads • Change Delivery Division • Chief Operating Officer for impact on operational staff • Centre for Social Justice • MIND, Rethink and the Centre for Mental Health • Organisations that represent prostitutes (ie London Collective of Prostitutes) • Armed Forces – veterans • Family groups/domestic violence groups (ie Gingerbread, Child Poverty Action group, Day Care Trust • Homeless charities /organisations • Debt agencies
• VCS groups: Alcohol Concern, Drinkaware, Centre Point, YMCA, Resolv, Solve-It, Mentor UK, DEF • Teenage Pregnancy coordinators • Teenage Pregnancy Independent Advisory Group • Teenage Pregnancy Non Statutory Forum • Local Authority Family Intervention Specialists • Commissioners for Children, Parenting and Family services • Housing Associations • Family Intervention delivery bodies (inc. NGOs)

- Treatment Providers
- Local partnerships
- Criminal justice treatment services
- NHS workforce
- Membership organisations
- Harm reduction organisations
- Service User groups
- Expert groups
- Employment / reintegration organisations
- Think tanks with an interest in treatment
- Mutual Aid groups
- Voluntary and community sector chief executives and senior personnel
- Influential research organisations
- Policy makers
- Regional carer organisations
- Mental health bodies
- Pharmacists
- Other criminal justice services

B. RATIONALE

8. Drug use and alcohol dependence matters to the whole of society given the impact they have on individuals, families and communities. Drugs have a negative impact, from the crime impact on local neighbourhoods, the health impact on the individual, the social impact on families to the corrupting effect of international organised crime. The total annual economic and social cost of Class A drugs was estimated to be around £15.4 billion in 2003/04 through drug-related crime, health costs and social care costs associated with drug use[2]. Alcohol misuse costs an estimated £18 to £25 billion a year through alcohol related disorders and diseases, crime, loss of productivity in the workplace and impact on families.

9. Drug use in the UK remains too high as the British Crime Survey shows that 8.6% adults in 2009/10 used an illicit drug in the last year which is almost 3 million people. Evidence also shows that offenders who use heroin and crack cocaine are estimated to commit between a third and half of all acquisitive crime[3]. We also know that a third of the adult treatment (drug or alcohol) population have parental responsibility for a child.

10. The problems are complex and patterns of misuse are changing. The latest estimate of the number of individuals using heroin in England shows a reduction from 273,000 in 2006/07 to 262,000 in 2008/09[4]. Data from treatment providers shows that the heroin population is ageing, with fewer people becoming dependent upon the drug. However, presentations for problems with crack cocaine continue to be high. In addition, increasing numbers of people who would not fit the stereotype of a dependent drug user are presenting for treatment. These individuals are often younger and are more likely to still be working and in stable housing. Poly-substance abuse is also increasingly the norm amongst drug misusers and this dependency commonly involves alcohol as well as drugs.

11. There has also been the emergence of "legal highs" as a new trend with young people taking new legal chemicals instead of or as well as other drugs. Most of these substances have

2 The economic and social costs of Class A drug use in England and Wales, 2003/04. Home Office Online Report 16/06.

3 Measuring the harm from illegal drugs using the Drug Harm Index. Home Office Online Report 24/05

4 National and regional estimates of the prevalence of opiate and/or crack cocaine use 2008–09: a summary of key findings http://www.nta.nhs.uk/uploads/summaryprevalanceestimates2008-2009.pdf

never been tested for use on humans and the immediate risks they pose or the long term damage they cause are often not immediately apparent as the harms are unknown.

12. We also know that individuals with a background of child abuse, neglect trauma and poverty are disproportionately likely to be affected by drug misuse. Treatment can be very effective in reducing the harms caused by dependence whilst also preventing wider harms to the community such as the children of individuals dependent on drugs or alcohol having to go into care, high volume acquisitive crime and the spread of blood borne viruses.

13. There is also a clear association between mental illness and drug and alcohol dependence and those individuals experiencing mental ill health have a higher risk of substance misuse. The majority of lifetime mental illness starts before adulthood and associated behaviour including substance misuse often occurs during this period. For young people, emotional and behavioural disorders are associated with an increased risk of experimentation and misuse.

14. Young people's substance misuse is a distinct problem. The majority of young people do not use drugs. But for those that do, drug or alcohol misuse can have a significant impact on their education, health, families and long term life chances. The rates of drug use amongst young people have fallen by around a third in the last decade. However, cannabis and alcohol are the most common substances used, though volatile substances (such as glues, gases or aerosols) also remain an issue, particularly for younger ages. Each year around 24,000 young people access specialist support for substance misuse, 90% due to cannabis and/or alcohol.

15. As a result, action is required by Government to reduce the harms and costs to our society. This can only be done through a multi-faceted approach. The strategy sets out the high level ambitions of reducing illicit and other harmful drug use and increasing the numbers recovering from their dependence. Underpinning these critical ambitions are three key themes – reducing demand, restricting supply, and recovery.

16. Legislation is required to introduce a new system of temporary bans on new "legal highs" while health issues are considered by independent experts.

C. OBJECTIVES

17. Our coalition programme sets out the Government's ambition to bear down on the supply of illicit drugs, introduce a system of temporary bans on so called "legal highs" and to build a recovery led system to enable individuals to become free of drug or alcohol dependence and contribute to society. Therefore, the objective of introducing these policies is to deliver these commitments and build momentum to tackle drugs and drug-driven crime, whilst also enabling and supporting people to become free of their dependence.

D. OPTIONS

Option 1 is to make no changes (do nothing).

Option 2 (preferred option): implement the following policies as outlined in the Drug Strategy

The Drug Strategy will be structured around three themes: Reducing demand; Restricting supply; and Building recovery.

REDUCE DEMAND

Creating an environment where the vast majority of people who have never taken drugs continue to resist any pressures to do so, and making it easier for those that do to stop.

a) Families will be supported to give their children the best possible start in life

b) Family Nurse Partnerships will develop the parental capacity of mothers and fathers within potentially vulnerable families

c) A national campaign will focus on helping to turn around the lives of those families with the most complex needs. This will be supported by establishing Community Budgets for 16 local areas from April 2011

d) We will make sure school staff have the information, advice and the power to:

- Provide accurate information on drugs and alcohol through drug education and targeted information via the FRANK service.
- Tackle problem behaviour in schools, with wider powers of search and confiscation. We will make it easier for heads to take action against pupils who are found to be dealing drugs in school.
- Work with local voluntary organisations, the police and others to prevent drug or alcohol misuse.

e) All young people should be able to remain in education or training until the age of 18. As part of raising the participation age we will ensure financial support is available to the most disadvantaged young people, giving them the best start to adulthood and preparing them for employment or higher education

f) We will simplify funding to Local Authorities, including the creation of a single Early Intervention Grant, worth £2 billion by 2014–15

g) New funding arrangements for youth justice services will incentivise Local Authorities to find innovative ways to reduce the number of young people who commit crime, including tackling drug or alcohol misuse where this is part of the reason for their offending

h) For those young people whose drug or alcohol misuse has already started to cause harm, or who are at risk of becoming dependent they will have rapid access to specialist support that tackles their drug and alcohol misuse alongside any wider issues that they face

RESTRICT SUPPLY

We must make the UK an unattractive destination for drug traffickers by attacking their profits and driving up their risks

i) The introduction of Police and Crime Commissioners (PCCs)

j) The formation of new National Crime Agency (NCA)

k) We will strengthen coordination between police and local partners

l) Integrated Offender Management (IOM) will reach out beyond traditional partners to other voluntary and private sector providers and engage the public in creating and delivering solutions

m) We will explore the potential of new technologies to disrupt drugs from entering and being traded within prisons.

n) We will share intelligence across police forces, National Crime Agency, UK Border Agency and others to increase our understanding

o) Reduce the risk of harm from new psychoactive substances, so called “legal highs”: by introducing a system of temporary bans while the health issues are considered by independent experts

p) We will establish an effective forensic early warning system

q) We will introduce technology at the borders to assist with the identification of new drugs

r) Work with UK based internet providers to ensure they comply with the letter and spirit of UK law

s) We want to ramp up the use of money laundering prosecutions, and increasingly disrupt criminal finances through criminal and civil recovery and asset denial

t) We will develop a comprehensive approach to tackle the trade in drug precursors (chemicals frequently used in or for the illicit production of drugs) and cutting agents, working with production countries, the legitimate trade and international partners

u) We will continue to implement and regulate a national system of domestic control through the operation of an effective licensing and compliance regime

RECOVERY

For those who are dependent on drugs and alcohol, we will build on the huge investment in treatment to ensure more people are tackling their dependency and recovering fully.

v) We will increase the focus within treatment on recovery, with the overarching aim of increasing numbers recovering from their dependence

w) We will continue to provide training for Jobcentre Plus advisers to give them the skills to recognise drug and alcohol dependence, and know where to refer people for assessment. Jobcentre Plus will also continue to work in close partnership with drug and alcohol services at a local level, and will offer face to face support, advice and guidance on benefits and employment, through outreach where practical and appropriate, to service users and the drug and alcohol professionals who support them.

x) We will introduce six pilots to explore how Payment by Results can work for drugs recovery for adults, which will also provide evidence on affordability and value for money as part of the evaluation of these pilots

y) We will also support communities to build networks of 'Recovery Champions'

z) Development of a benefit system that promotes engagement with recovery services

aa) We will explore building appropriate incentives into the universal credit system to encourage treatment take-up

ab) Employment support will be funded on an outcomes basis, using benefit savings freed up when people engaged with recovery services move into employment or full-time education

E. APPRAISAL (COSTS AND BENEFITS)

OPTION 2 – IMPLEMENT THE FOLLOWING POLICIES AS OUTLINED IN THE DRUG STRATEGY

COSTS AND BENEFITS

There will be some minimal transitional costs in addition to the costs of implementing the new policies detailed in the table below.

The likely benefits of the Drug Strategy include a reduction in demand for prison places; reduction in drug related crime; reduction in costs of re-offending and crime through effective rehabilitation; reduction in costs to health and social care services; savings in transfer and welfare payments; and improvements in health and employment outcomes for offenders through effective rehabilitation. However, we cannot monetise these benefits because of the early phase

of policy development.

The table below outlines the costs and benefits of the proposed new policy changes:

Summary of new policy	Summary of estimated costs and savings/benefits
A national campaign will focus on helping to turn around the lives of those families with the most complex needs. This will be supported by establishing Community Budgets for 16 local areas from April 2011	**Costs** There will be miscellaneous costs incurred by Government as a result of this policy. However, we cannot monetise these costs owing to the early phase of development of this policy option and the potential commercial sensitivity of such analysis. **Benefits** We know that tailored and co-ordinated support packages around the needs of the whole family are effective, with savings estimated at £49,000 per family per year[5]. Evidence shows that intensive family intervention has led to significant reductions in risks associated with substance misuse, mental ill health and child protection and has led to reductions in anti-social behaviour, crime, truanting and domestic violence.6 The Community Budgets will bring together funding from a range of departments to enable local areas to pool resources to deliver better outcomes for families with the most complex needs
We will make sure school staff have the information, advice and the power to: -Provide accurate information on drugs and alcohol through drug education and targeted information via the FRANK service. -Tackle problem behaviour in schools, with wider powers of search and confiscation. We will make it easier for heads to take action against pupils who are found to be dealing drugs in school. -Work with local voluntary organisations, the police and others to prevent drug or alcohol misuse.	The full costs and benefits of this policy are included in the impact assessment that supports the Department for Education Schools White Paper.
We will simplify funding to Local Authorities, including the creation of a single, Early Intervention Grant, worth £2 billion by 2014–15.	The full costs and benefits of this policy will be considered as part of the DfE wider impact assessment of the Spending Review and allocation decisions to local authorities.

5 Redesigning provision for families with multiple problems: early impact and evidence of local approaches published October 2010. Research Report DFE-RR046

6 Family intervention project official stats published 15 Sept 2010

New funding arrangements for youth justice services will incentivise Local Authorities to find innovative ways to reduce the number of young people who commit crime, including tackling drug or alcohol misuse where this is part of the reason for their offending	The full costs and benefits of this policy will be included in the impact assessment that supports the Ministry of Justice Sentencing and Rehabilitation Green Paper 'Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders'
The introduction of Police and Crime Commissioners (PCCs)	The full costs and benefits of this policy will be included in the PCC impact assessment.
The formation of new National Crime Agency (NCA)	The full costs and benefits of this policy will be included in the NCA impact assessment.
Reduce the risk of harm from new psychoactive substances, so called "legal highs": by introducing a system of temporary bans while the health issues are considered by independent experts	**Costs** It is not possible to quantify the costs of these provisions. As the provisions introduce an enabling power for temporary bans, rather than controlling any specific substance, it has not been possible to quantify the costs. The use of this provision will depend on the rate at which new potentially harmful "legal highs" are introduced to the UK market. A full Regulatory Impact Assessment will be completed on each occasion that the power is used, taking into account any evidence on prevalence of availability and use, in the same way when a drug is brought under permanent control under 1971 Act. **Benefits** For the reasons given, it is not possible to quantify the benefits of these provisions. The overarching benefit of a faster legislative response is to reduce the likelihood of a criminal market developing with associated enforcement costs as well as limiting both potential harm to individual users health, including dependency, with associated treatment costs and wider societal harms.
We will establish an effective forensic early warning system	**Costs** There will be forensic and general administrative costs incurred by Government as a result of this policy. However, we cannot monetise these costs owing to the early phase of development of this policy option and the potential commercial sensitivity of such analysis. **Benefits** There will be non-monetised benefits incurred by Government as a result of this policy. The use of this provision will depend on the rate at which new harmful 'legal highs' are introduced to the market. We can expect the societal benefits of reduced harm from new 'legal highs' through the ability to identify and therefore ban them more quickly.

We will introduce technology at the borders to assist with the identification of new drugs.	**Costs** There will be forensic and technological costs incurred by Government as a result of this policy. However, we cannot monetise these costs owing to the early phase of development of this policy option and the potential commercial sensitivity of such analysis. **Benefits** It is not possible to quantify the benefits of these provisions. The use of this provision will depend on the rate at which new harmful 'legal highs' are introduced to the market. We can expect the societal benefits of reduced harm from new 'legal highs' through the ability to identify and therefore ban them more quickly.
We will increase the focus within treatment on recovery, with the overarching aim of increasing numbers recovering from their dependence	**Costs** There are no new economic or financial costs incurred by Government as a result of the shift in emphasis in this policy. Further details are included in the impact assessments that support the Department of Health's 'Healthy lives, healthy people' White Paper and Ministry of Justice's 'Breaking the cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders' Green Paper. **Benefits** The wider social return on investment has been the subject of recent analysis by the NTA and the DH in collaboration with the HO. The finalised results will be published in 2011. It will be possible to assess the benefits of focusing treatment more towards recovery in relation to the baseline analysis which is due to be published in 2011
We will also support communities to build networks of 'Recovery Champions'	The full costs and benefits of this policy will be included in the impact assessment that will support the Department for Work and Pensions Work Programme
Development of a benefit system that promotes engagement with recovery services	The full costs and benefits of this policy will be included in the impact assessment that will support the Department for Work and Pensions Work Programme
We will explore building appropriate incentives into the universal credit system to encourage treatment take-up.	The full costs and benefits of this policy will be included in the impact assessment that will support the Department for Work and Pensions Work Programme
Employment support will be funded on an outcomes basis, using benefit savings freed up when people engaged with recovery services move into employment or full-time education	The full costs and benefits of this policy will be included in the impact assessment that will support the Department for Work and Pensions Work Programme

F. RISKS

OPTION 2 – INTRODUCE THE POLICIES LAID OUT IN THE DRUG STRATEGY

18. Risk – Local areas fail to implement single assessment and referral systems for recovery

19. Mitigation – All areas will be encouraged to set up single assessment and referral systems for recovery. The strategy sets out the benefits of this approach in that it reduces bureaucracy and the breaks in continuity of support and allows more cost effective services to be delivered. Six pilots will also be introduced to explore how payment by results can work for drug recovery and these will test the approach of a single unified system.

G. ENFORCEMENT

20. Central Government will not seek to prescribe the approaches that should be taken in delivering the high level ambitions and outcomes within the strategy. The strategy makes clear that power and accountability is being shifted to the local level through the introduction ofPCCs, the reform of the NHS and the creation of the Public Health Service.

21. We do not expect that these proposed policies will require any significant increase in enforcement activity.

H. SUMMARY AND RECOMMENDATIONS

The table below outlines the costs and benefits of the proposed changes.

TABLE H.1 COSTS AND BENEFITS

<table>
<tr><th>Option</th><th>Costs</th><th>Benefits</th></tr>
<tr><td rowspan="2"></td><td>Cost to Government (not quantified)
DfE National Families campaign-The campaign will be underpinned by a new Early Intervention grant and the roll out of local Community Budgets. Costs have yet to be decided.
Introduction of temporary bans- potential costs fall to the police and criminal justice system
Establish an effective forensic early warning system- forensic costs
Introduce technology at the borders to assist with the identification of new drugs- forensic and technological costs and costs to UKBA</td><td>Benefits to society (not quantified)
Reduction in demand for prison places
Reduction in drug related crime
Reduction on costs of re-offending and crime through effective rehabilitation
Reduction in costs to health and social care services
Savings in transfer and welfare payments
Improvements in health and employment outcomes for offenders through effective rehabilitation.
Faster legislative approach to so called “legal highs”</td></tr>
<tr><td colspan="2">Further details for costs and benefits will be included in the following IAs:
PCCs IA
National Crime Agency IA
Public Health Service ‘Healthy lives, healthy people White Paper: Our strategy for public health in England’ IA
Schools White Paper IA
Ministry of Justice Sentencing and Rehabilitation Green Paper ‘Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders’ IA</td></tr>
<tr><td colspan="3">Source:</td></tr>
</table>

22. Our preferred option is option 2, due to the reductions in drug use and drug related crime and the significant benefits it would contain for those individuals recovering from their drug dependency.

I. IMPLEMENTATION

23. The Government plans to implement the Drug Strategy in December 2010.

J. MONITORING AND EVALUATION

24. In line with the Public Service Transparency Framework we propose to set out the existing publicly available data that will help the public make up their own minds about how the Government is performing against the strategy's overarching aims and themes. Data sources will include the British Crime Survey, the School Survey of Smoking, Drinking and Drug Use, Drug treatment statistics, Drug Seizure statistics, Recorded crime and NHS data.

25. In addition the Government has committed to put in place an evaluation framework to assess the effectiveness and value for money of the Drug Strategy. The framework will capture the current evidence base underpinning each theme of the Drug Strategy and identify where there is a lack of evidence or a lack of robust evidence. Where the evaluation evidence is deemed to be too sparse or weak to provide a satisfactory assessment of effectiveness and value for money the framework will also set out the extent to which evidence gaps can be filled and the standard of evaluation improved. The framework will be developed and reviewed throughout the life of the Drug Strategy.

K. FEEDBACK

26. A targeted consultation was carried out to seek feedback from those likely to be affected by the policies included in the Drug Strategy. It provided an early engagement opportunity for the drugs sector and stakeholders to influence the development of the Drug Strategy.

27. Over 1800 responses to the targeted consultation exercise suggest that stakeholders welcomed the early engagement and the opportunity to inform and influence the development of the strategy. Many stakeholders and individuals additionally provided supplementary and free text answers to the consultation questions which are being taken into account and will also be used to inform and influence the development of the strategy.

28. Responses from the consultation are being collated and analysed by the relevant departments involved in the development of the strategy. The Government intends to publish the strategy in December and we will also be producing a short summary document on the consultation responses we have received.

ANNEXES

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added to provide further information about non-monetary costs and benefits from Specific Impact Tests, if relevant to an overall understanding of policy options.

ANNEX 1: POST IMPLEMENTATION REVIEW (PIR) PLAN

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their actual costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

Basis of the review: [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];
Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]
Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]
Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]
Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]
Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]
Reasons for not planning a PIR: [If there is no plan to do a PIR please provide reasons here] There is no plan to undertake a PIR as the Government has committed to undertake an annual review of the Drug Strategy. This will cover progress against key indicators using publicly available data and a review of evaluations in place, and results when available, to provide a robust assessment of the effectiveness and value for money of the Drug Strategy.

ANNEX 2. SPECIFIC IMPACT TESTS

STATUTORY EQUALITY DUTIES

EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment will be produced as a separate document.

SOCIAL IMPACTS

HEALTH IMPACT ASSESSMENT

The overarching benefit of this strategy is to enable people dependent on drugs or alcohol to recover and thus limit the potential harm to individuals health, with associated costs of treatment and care. There will be a separate health impact assessment carried out as part of the development of the Public Health Service White Paper.

JUSTICE IMPACT TEST

A Justice Impact Test will be produced as a separate document.