

The impact of the cost of living crisis on drug and alcohol treatment and recovery

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About Collective Voice

Collective Voice is the alliance of voluntary sector drug and alcohol treatment and recovery providers. We believe that anyone in England with a drug or alcohol problem should be able to access effective, evidence-based, and person-centred treatment and support, which we know holds a transformative power for people with drug or alcohol issues, their families, and communities.

The voluntary sector plays a key role in providing this support, comprising almost three quarters of the total treatment provider workforce. We were created through the collective leadership of treatment and recovery charities to ensure that the knowledge and expertise of this field is able to contribute to the development of policy and practice. Together, our sponsoring organisations support over 200,000 people every year and are part of a wider ecosystem of charities across the country which include local, specialist and lived experience recovery organisations, working alongside statutory partners to support people with drug and alcohol issues.

About this briefing

After years of relatively low inflation, substantial increases in living costs in the UK have occurred since early 2022, with major rises in household expenditures driven by soaring energy, food, and housing costs. Between September 2022 and March 2023, the UK experienced seven months of double-digit inflationⁱ, reaching a four-decade high of 11.1% in October 2022. Inflation may now be on a downwards trend, and the period of ‘crisis’ may be said to be over, but life essentials still remain unaffordable for many – and declining inflation doesn’t, unfortunately, mean that prices themselves will go back down. Private rental housing costs are still continuing to increase, at their fastest rate everⁱⁱ, and the inflation rate for food, while falling, remains alarmingly high at 8%ⁱⁱⁱ. These price rises have been difficult enough to bear, but have come after organisations’ and individuals’ resilience was already



lowered significantly due to the disruption of the COVID-19 pandemic.

This briefing draws on evidence from academia and the wider voluntary sector as well as evidence gathered by Collective Voice from discussions with voluntary sector drug and alcohol treatment and recovery services and their beneficiaries to understand the impact of this cost-of-living crisis on voluntary sector drug and alcohol services and the people they support. This has included consultation with organisations' lived experience and service user involvement forums, along with visits to services in London and surrounding areas.

The cost of living and people who use drugs and/or alcohol

Drug and alcohol use is often understood through a stigmatised or criminal justice lens rather than as a public health concern closely interwoven with wider inequalities in our society. This briefing however highlights the relationship between people's drug and alcohol use and their engagement with treatment and support services, and poverty, insecurity, and social and economic environments.

Impact on public health

The 'cost of living crisis' has had major implications for public health across a range of areas, with financial pressures on access to hygiene, nutrition, healthcare and other factors harmfully affecting people's mental and physical well-being^{iv}. It has been said that the long-term impacts of these economic shocks might risk leaving a 'generation poorer in health than their predecessors'^v. This crisis followed a decade of severe funding cuts to local authority-funded services, including drug and alcohol treatment and recovery services, which undermined the provision of and access to comprehensive services.

We know that the burden of harms from alcohol and drug use are closely linked to inequality. There is evidence to suggest that, at any level of alcohol consumption, the health consequences are greater for those who are poorer or living in poverty than those who are more affluent^{vi}. Despite not consuming more alcohol on average than affluent groups, those



who are poorer face a greater risk to their health from alcohol consumption^{vii}. There is also an uneven impact in the way that the harms from drug use are distributed; people with lower individual resources face far greater health consequences from their drug use, and we know that the highest level of drug-related deaths occur in the areas of greatest deprivation^{viii}.

Impact on drug and alcohol consumption

Evidence has shown that the psychological distress caused by economic challenges can increase the use of illegal drug use and alcohol^{ix}, largely through pathways which link poverty and insecurity to mental health and emotional distress. In these circumstances, this stress is often dealt with through self-medicating behaviours including the use of alcohol and other substances – which appears to have also held true in the ‘cost of living crisis’^{xi}. Recent survey data from Adfam suggests that, among those who have a problematic relationship to alcohol, these economic stressors have generated increased demand for drink, meaning that an increased proportion of diminished household budgets will be spent on alcohol^{xii}.

The cost of alcohol and other drugs when compared to other things is likely to be a determinant of how choices are shaped. In this context, we know that throughout most of the ‘crisis’ period, the cost of alcohol and tobacco has risen more slowly than the prices of food and non-alcoholic beverages^{xiii}. Illicit drugs, meanwhile, are by-and-large inflation proof^{xiv}.

In our engagement with the sector, we heard that people will maintain their expenditure on alcohol and/or drugs, despite their decreased budgets, as a result of the nature of dependency. In some cases people have increased their expenditure due to the overall stress, and one service user was quoted as saying ‘*I feel like I best be out of my head to try and deal with this mess*’.

In situations where incomes have been reduced, and where people are reliant upon drugs or alcohol, there is a possibility that this means that either other material needs (such as food or hygiene) are neglected, or that people might resort to taking on debt or engaging in crime in order to maintain substance consumption. A member of one provider’s service user forum



reported that people accessing services are dealing with increased problems related to debt, be that credit card debt, 'payday loans', or loans from families and friends, along with a reported increase in the use of pawnbrokers. It was noted that this is a major barrier to recovery, and that trying to 'keep their head above the water' in terms of debt management was the most significant source of stress in their own recovery journey. Similarly, it was noted that some service users have witnessed an increase in shoplifting among peers as incomes have reduced, particularly shoplifting alcohol or items to sell in order to purchase alcohol.

Access to services

Financial pressure may also impact people's ability to engage with treatment and recovery services. It was reported to us that decreased household budgets have left many service users unable to travel to locations of support services, as they are having to spend an increased proportion of their incomes on food, energy, and housing. It was reported that some groups of people are entirely unable to access morning services, which may have been the most appropriate sessions for them, because the disability travel card is only operative after 9:00am, and they'd have to use a taxi to travel earlier than that. This is a particular concern in rural areas. Another member of a service user forum reported that their peer-support recovery group had been reduced from twelve regular attendees to two, as people 'can no longer find the time or the energy to come'.

This has led many more people to ask for online sessions in lieu of in person engagement. There are some benefits to remotely accessed services but concerns have been highlighted regarding the safety and effectiveness when compared with in-person interventions ([NIHR](#)). It is also important that a person not be prevented from accessing *their* preferred method of engagement as a result of any financial distress. One service we spoke to had procured a second-hand minibus to shuttle people unable to afford transport to and from services.



Impact on recovery

Polling by Taking Action on Addiction and YouGov found that the current rise in the cost-of-living left a reported 32% of people who are in recovery experiencing a relapse or re-occurrence of their addictive behaviours^{xv}.

Financial pressures may have undermined people's recovery capital - the ability to construct their lives around the resources and activities which support their recovery. For instance, we heard reports that people were forced to give up pets, hobbies, and social and community activities, which can make a huge contribution to wellbeing and recovery^{xvi xvii}.

The impact on the voluntary sector

These economic conditions have also had major implications for voluntary sector organisations delivering treatment and recovery services. Supporting individuals facing these difficulties, while being themselves under major budgetary stress, presents significant challenges for voluntary sector organisations.

Changing needs and demand

In response to the impacts on individuals highlighted above, organisations find themselves having to deliver additional services or support in order to best meet the needs of their service users.

One treatment and recovery provider reported that - in a survey of their staff on the impacts of the cost of living crisis - over 60% of colleagues said that more service users had been asking for financial support and advice. Clinks, the infrastructure organisation working to supporting voluntary organisations in England and Wales's criminal justice system, found a major increase in the level, complexity and urgency of need in their latest State of the Sector report. Of the organisations which responded, 64% of which work with people with alcohol and substance use issues, 86% reported an increase in the level of need, 80% reported an increase in complexity of need, and 72% reported an increase in the urgency of need^{xviii}.



In our discussions with service providers a range of new and increasing needs were highlighted to us, as well as the observation that the acute level of need means that people are now more willing to discuss financial difficulties than previously, when they may have been reluctant to do so due to feelings of shame or embarrassment.

For people accessing services who have children, school uniform was said to be a source of stress and anxiety, and services have had to liaise with donation centres to ensure that people can clothe their children.

Housing was also highlighted as an issue of high importance, with those working in services noting that this issue makes people's lives, and their ability to engage in treatment and pursue recovery, far more difficult. One service area's Rough Sleepers' Services Manager reported that, in the cases which they are dealing with, there has been a major increase in complexity and the average number of safeguarding flags per-person. Another example was shared of service users with experience of intimate partner violence who have been unable to relocate to safer accommodation, because of its inaccessibility and the increased cost. This can add further complexity to people's relationship with alcohol or other substances which might be used as a coping mechanism, highlighting the intersection of drug and alcohol use with poverty and complex trauma, which is far more difficult to resolve in situations where a person is unhoused.

One service had expanded its 'recovery rewards' system through donations and support from local businesses. Under the scheme engagement in treatment and recovery sessions allows for the building up of points that can then be exchanged for amenities in the local area. By far the greatest demand is for food and toiletries, such as razors.

Meeting these needs is challenging for providers especially where they are not commissioned to provide this additional support and advice, and can therefore only meet these needs



through relying on alternative funding or signposting to other services, such as Citizens Advice or foodbanks in the local area.

Increasing overheads, decreasing income

At the same time as responding to these changing needs, voluntary sector drug and alcohol treatment and recovery providers have faced major increases in energy, fuel and consumables prices, along with labour cost increases.

In a survey of Collective Voice sponsoring organisations at the end of 2022 one respondent noted that their utility bills had increased by approximately 300%, while expenditures for a range of other overheads have also increased. This is of particular concern for residential services and housing provision which is disproportionately impacted by energy inflation. It was also reported that IT service costs had increased by between 10 and 30%.

Despite these significant hikes in delivery costs, public sector contracts (through which drug and alcohol services are commissioned) are not uprated in line with inflation. This means that, increasingly, the value of contracts fails to cover costs of contracted service delivery, creating shortfalls in funding and hindering the sustainability of services^{xix}. In one provider's experience, contract values had decreased in real terms by up to 15%, while it was reported that there had been 'little to no financial support from commissioners' to cover the inflationary impact.

Simultaneously, funding across the wider voluntary sector from individual and legacy donations are in decline, with 55% of people saying that they have found donations harder to afford compared to years previous^{xx}. While donations don't necessarily account for a large proportion of charity incomes in the drug and alcohol treatment and recovery sector, compared to contract incomes, a reduction in donations means that voluntary sector drug and alcohol service providers will find it increasingly difficult to deliver any services or support which falls outside of what they're directly commissioned to provide.



Impact on staffing

The cost-of-living crisis has had a wide felt impact, so staff working in the drug and alcohol treatment and recovery sector are themselves also impacted by inflationary pressures, and the cost of fuel, food, housing, and travel all increasing.

Providers told us that this is of particular concern for lower-paid staff and staff on single incomes, and some services reported an increase in staff themselves depending on food banks in order to make ends meet, and an increase in requests for flexible or home-working to reduce travel costs.

Providers also reported an increase in sickness absence and staff were said to be facing mental health and wellbeing challenges arising from financial and economic reasons. This was caused either by increased stress and anxiety over their personal finances, or due to the impact on their own wellbeing caused by supporting people who are facing such severe challenges - for which staff don't have 'all the answers' or aren't able to provide all the support needed. This was all said to have effected staff morale significantly.

These impacts upon the sector's staff are in addition to and have exacerbated longer standing workforce shortages and challenges in recruitment and retention.

Conclusion

The cost of living crisis has had a significant impact on the drug and alcohol treatment and recovery sector. People's mental and physical health and well-being, and their relationship to drugs and alcohol have been affected in ways which mean they may be less well-positioned to make the changes in their lives that they want to make: they might be less able to access services, they might have lost out on the things and activities that make their recovery easier, and they might find themselves at greater risk of engaging in problematic substance or alcohol use.



The charities that deliver drug and alcohol treatment and recovery services and the people who work in them have also been far from immune from the impacts, with pressures to respond to changing needs emerging against a backdrop of increased overheads and a workforce under greater pressure than ever.

Despite this, drug and alcohol services have been dynamic and responsive to changing needs as staff have tried to find new ways to support people facing financial difficulty. Those working in the drug and alcohol treatment and recovery sector want to ensure that people can get the most out of their engagement with services, and they understand that a person's relationship with drugs or alcohol is often related in complex ways with their housing, environment, wider health, and other factors which have all been affected by the economic challenges of the past two years.

As we approach the final year of the initial 3 year funding announced alongside the government's 10 year Drugs Plan it is essential that the challenging and complex context, in which the first three years of the plans implementation has been delivered, is recognised.

To meet the Drug Strategy's ambition of a world class treatment and recovery system the sector needs to be able to adequately plan and rebuild capacity and quality, as well as respond to new emerging challenges and changes in service user need as they arise. This is impossible when the sector is facing a cliff edge in funding beyond 2024/2025. Both the Public Accounts Committee^{xxi}, Home Affairs Committee^{xxii} and National Audit Office^{xxiii} have made recommendations that government should provide greater certainty over future funding for the whole lifespan of the strategy. The impact of the cost of living crisis highlighted in this briefing further emphasises the need for long term and sustainable funding for drug and alcohol treatment and recovery services.



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