Agenda Item 15

Leicestershire County Council

CABINET – 8 SEPTEMBER 2026

DRUG AND ALCOHOL TREATMENT AND RECOVERY SERVICE RE-PROCUREMENT

REPORT OF THE DIRECTOR OF PUBLIC HEALTH, COMMUNITIES, LAW AND GOVERNANCE

PART A

Purpose of the Report

1. The effects of harmful drug and alcohol use impact individuals, their friends and families and the wider community. The treatment and recovery service tackles this through supporting individuals to reduce dependence and harm arising from drug and alcohol use. The Director of Public Health is required to spend a designated amount of the Public Health Grant on substance use (drug and alcohol) treatment and recovery services. The current service is commissioned from a specialist drug and alcohol treatment provider.

2. With the current contract expiring in April 2027 (with the option of a final year extension to April 2028 if required), approval is sought for the re-procurement of this service, under the Health Care Services (Provider Select Regime) Regulations 2023. These Regulations set out five selection processes for the Local Authority to consider, depending on circumstances.

3. The report seeks approval to re-procure drug and alcohol treatment and support services for residents requiring this service offer across Leicestershire and recommends a selection process to secure this provision.

Recommendations

4. It is recommended that:

   a) The Cabinet approves the use of the direct award process C for the procurement of the drug and alcohol treatment and recovery service, in line with funding requirements of the Public Health Grant and national guidance;

   b) The Director of Public Health, Communities, Law and Governance be authorised to enter into any contractual arrangements necessary to bring into effect the new substance use contract with effect no later than 1 April 2028.

   (KEY DECISION)

Reasons for Recommendation

5. The Director of Public Health is required to spend a designated amount of the Public Health Grant on drug and alcohol treatment and recovery provision each year. As the Public Health Grant is already ring fenced, this effectively creates a ring fence within the ring fence. This is a commissioned service, currently with delivery via a specialist substance use provider.

6. Local access data shows an ongoing requirement for the service with 3,554 people entering treatment for drug and alcohol use in Leicestershire in 2025/26.

7. Three applicable procurement routes exist under the Health Care Services (Provider Select Regime) Regulations 2023; Direct Award is recommended as it offers the most efficient way to secure ongoing engagement of a high performing provider and ensures no disruption to existing provision with a current provider that operates across Leicester, Leicestershire and Rutland (so creating an easier route for any disaggregation resulting from Local Government Reorganisation).

8. This has been balanced against the option to test value for money via a competitive process. With evidence of existing value for money in the current service offer, a competitive process is not recommended.

Timetable for Decisions (including Scrutiny)

9. Subject to the Cabinet's approval, the award would be made in the Autumn of 2026 in order to secure provision from April 2027. An option for a further year under the existing contract is available but would be utilised only if necessary.

Policy Framework and Previous Decisions

10. The service contributes to the "Safe and Well" strategic outcome of the Council's Strategic Plan (2022-26), and in "Better Leicestershire for Communities" in the emerging Strategic Plan (2027-30), specifically by continuing to commission effective substance use services to support people to reduce the harm caused by alcohol and drug use and improve their wellbeing.

11. The service also contributes to the Joint Health and Wellbeing Strategy, a responsibility of the Health and Wellbeing Board. The service specifically contributes to the "Staying healthy, safe and well" priority, forming part of enabling healthy choices.

Resource Implications

12. There are no direct resources implications for the Council. The drug and alcohol treatment and recovery service is funded through a specific allocation within the Public Health Grant.

Circulation under the Local Issues Alert Procedure

13. This report will be circulated to all members.

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PART B

Background

14. The Director of Public Health receives funding via the Public Health Grant that is specifically designated for spend on substance use (drug and alcohol) treatment and recovery. This area of work is heavily influenced by national guidance and policy, stemming from evidence of what works to both prevent harmful substance use and to support those who experience it, ultimately with the aim of reducing dependence and harm.

15. Drug and alcohol harms across Leicestershire contribute to a number of poor outcomes, both for those directly affected as well as their friends, families and wider communities. Ultimately drug and alcohol use claims lives, with 283 Leicestershire residents dying from alcohol-related causes alone in 2024.

16. Wider harms include the impact on children living with parents with harmful substance use (approximately 25% of those in treatment services have children under 15 living with them), and an impact on communities; the drug supply chain brings detriment through increased crime as well as the impact of increased worklessness, poverty and poor health. Harmful drug and alcohol use is a key Public Health issue but also a wider societal issue affecting many areas of work across the Council and wider public sector.

17. The local substance use service provides community-based treatment for adults and young people who wish to end their dependency on drugs and/or alcohol, as well as harm reduction and support to sustain recovery. The service offer includes a single point of access, community prescribing, therapeutic interventions, targeted work with vulnerable groups and offers of residential detox and rehabilitation for those requiring it.

18. Like most local authorities, Leicestershire commissions a specialist substance use provider to deliver this clinical service with a contract in place from 2021 following a competitive tender. This contract is currently in place until 31 March 2027 with provision to extend by one further year to 31 March 2028 if necessary.

19. As explained in Part A of this report, the Council is required to have a service offer in place (using a designated funding amount), and the current contract is nearing an end so the service needs to be re-procured. Whilst the current contract could be extended by a further year, a procurement exercise and potential mobilisation of a new service provider of this size requires an 18-month timeframe for a competitive process and so a decision is required now to allow time should a competitive approach be selected.

20. Since the service was last procured, there have been substantial changes to procurement regulations, with substance use services now falling under the Health Care Services (Provider Select Regime) Regulations 2023. These regulations provide five processes which can be followed depending on circumstances.

21. To inform the procurement decision and the design of the service required into the future, a review of the need, performance, and value for money has taken place. This local focus, alongside national guidance and funding requirements can inform the decision on next steps.

Review of need and existing service provision

22. A range of indicators gathered nationally and locally help the Council to understand the needs of local people in relation to drug and alcohol use. A summary is provided in Appendix A. Whilst Leicestershire data shows similar or better than England performance overall some of the trends are showing declining performance. It is clear there is a need for ongoing provision of substance use treatment and recovery services in order to continue to address this need.

23. The current service is provided by Turning Point, a national provider of substance use treatment and recovery services. The provider operates across Leicester, Leicestershire and Rutland (with separate contracts in place for each), providing a seamless service for people across the areas.

24. The spend and performance on substance use is overseen by the Office of Health Improvement and Disparities (OHID), part of the Department of Health and Social Care. The OHID works with local Public Health teams to set targets for substance use services and to ensure correct use of the Public Health Grant.

25. The local service is managed via the Public Health contract management framework and regular contract management meetings ensure robust oversight and communication between commissioner and provider. During the performance contract meetings, the performance management framework is analysed to evaluate the effectiveness of the service.

26. The service consistently performs well and has exceeded expectations with regards to numbers in treatment (an OHID target tied to increased funding in recent years) by midyear in all areas other than opiates. High numbers of people in treatment is seen as a success measure as it can indicate the service is reaching people in need of help (although it could also suggest increasing need). A range of other data is also tracked to help understand the full picture alongside benchmarking against regional and national trends.

Cohort	Mar-22 (baseline)	Mar-26	OHID 2025/26 ambition
All adults in treatment	2,619	3,554	**3001**
Adults who use Opiates	1,082	1,102	1151
Adults who use non opiates (incl. Alcohol)	548	1,070	700
Adults in treatment for Alcohol	989	1,382	1150
Young persons in treatment under 18	54	119	85

Source: OHID and local figures reporting figures. Note these figures include double counting where a person is using more than one substance at the time of recording.

27. Alongside the monitoring of numbers in treatment (a volume measure), it is also important to look at the effectiveness and outcome achieved. The main indicator of this for substance use treatment services is successful completions (the measure of how many people left treatment free of substances who do not then represent to treatment within 6 months). Locally, the service achieves good successful completion rates with particular emphasis on the opiate rate, which is currently 8.52%, putting Leicestershire in the top quartile.

Successful completions	Leicestershire Jan 25 - Dec-25	England average Jan 25 - Dec 25
Rate of Alcohol Successful Completions	33.33%	34.78%
Rate of Non-Opiates Successful Completions	33.17%	28.74%
Rate of Opiates Successful Completions	8.52%	5.47%

Source: NDTMS Monthly Provisional Statistics

28. These two key metrics for substance use services show strong performance by the provider with high levels of engagement in the Council's target population and relatively high success rates when people do engage in treatment. Other performance data gathered also evidences strong, consistent performance. It is worth noting that the option to direct award under process C (see options at paragraph 34 below) depends on satisfactory delivery of the contract to a required standard.

29. A quality visit undertaken by the Public Health Quality and Assurance Service in Autumn of 2025, reviewed the delivery using the quality assurance framework utilised by the contracts team in Public Health. The review found that quality was high and the provider was operating a strong service. Whilst minor improvements were noted, no significant concerns existed. This review included examination of service user feedback. A CQC inspection of the service published in 2026 resulted in an overall score of Good.

Review of value for money

30. Analysis of the spend on adults in substance use treatment per local authority, what this spend equates to in terms of cost per person in treatment and rates of successful completions for Leicestershire and all comparator authorities has been carried out (see Appendix C). Key points to note are:

- Leicestershire receives a relatively low funding allocation per head of population, at £9.68 per head compared to an average of £13.00. Five authorities out of sixteen (Warwickshire, South Gloucestershire, Kent, Buckinghamshire and Surrey) received a lower allocation per head.

- Leicestershire spends a low amount per head on those accessing treatment, £1,697.95 per person against an average of £2,642.03. Of the five authorities receiving a lower allocation per head listed above, only one (Surrey) achieves a lower cost per person in treatment than Leicestershire.
- However, Leicestershire has a relatively high percentage of the population in treatment (above average) which is a success measure.
- Leicestershire also has a near average rate of successful completions in this period (48% against an average of 48.19%). Successful completions are a key measure in this sector.

31. Data is also included for England average spend and successful completions. The successful completion rates in Leicestershire were above the England levels in this period. It is not possible to calculate an average spend per head for England from the data available.

The potential impact of Local Government Reorganisation

32. Local Government Reorganisation (LGR) creates a new local authority for the Leicestershire and Rutland areas from April 2028 with a changing population. Whilst no decisions have yet been taken on how to manage the disaggregation of service, they will inevitably be required at some point in the future for contracts like this. As well as being high performing and good value for money, the current provider also operates across Leicester, Leicestershire and Rutland (LLR), albeit via different contracts with each local authority. Having a single provider across LLR is likely to make disaggregation easier and reduce the risk during transfer.

Options

33. The options for procuring a substance misuse service fall under the selection processes under the Health Care Services (Provider Selection Regime) Regulations 2023. Two selection processes are not applicable in this situation so three remain:

Process	When it applies
Direct award process C	Can be used where an existing provider is satisfying its contract and the new contract will not be materially different from the current contract.
Most suitable provider process	Can be used where the relevant authority cannot or does not wish to use direct award process C (above) but is of the view that it can identify the most suitable provider.
Competitive process	Can be used where the relevant authority cannot or does not wish to use direct award process C or the most suitable provider process.

34. A full options appraisal has been carried out, listed in Appendix B. An audit of the old and proposed new contracts has also been carried out and provides assurance that the new contract is not materially different to the old (a requirement of the direct award process above).

35. A competitive process is not recommended as this would both divert officer time and Council resources from delivery and would increase the risk of destabilising a strong local service with little or no potential gain. With LGR on the horizon, it is likely this service will require disaggregation in the future. This exercise will be simpler, lower risk and more efficient where the same provider is in place across LLR.

36. The most suitable provider process is not recommended as direct award process C is applicable and appropriate for use in this instance.

Consultation

37. No specific consultation has been required but engagement with partners and those using the service takes place regularly and informs the evaluation of performance and understanding of local need.

Conclusion

38. In conclusion, it is recommended that the drug and alcohol treatment and recovery service be reprocured to ensure continuation of provision. It is also recommended that a direct award is used as the approach for this exercise.

39. The direct award process C includes the ability to retain a high performing provider with minimum disruption and risk to provision. Given the strength of the local service offer and the evidenced value for money in the local service, a competitive process is not recommended as this would both divert officer time and Council resources from services delivery and would increase the risk of destabilising a strong local service with little or no potential gain. The direct award option also ensures continuity of the same provider across the LLR footprint through the LGR change process which helps to reduce risk and minimises change required.

Equality Implications

40. It has not been necessary to undertake an Equality Impact Assessment as the proposal does not include a change to policy, procedure, function or service.

41. Joint Strategic Needs Assessments (JSNAs) were carried out in 2024, examining the needs of people with drug and/or alcohol dependency. As with all JSNA chapters, this included examination of who is at greatest risk.

42. The service is therefore expected to deliver to higher numbers of these at risk groups (proportionately to the overall population of Leicestershire) but is also expected to deliver to non-high risk groups who may also present. Regular monitoring of take up of service allows for examination of this.

Human Rights Implications

43. There are no human rights implications arising from the recommendations in this report.

Other Implications and Impact Assessments

44. Substance use is a health consideration. The JSNA on drug use identifies drug use and dependency can lead to a range of harms for the individual such as poor physical health including chronic and infectious conditions, blood borne viruses, poor mental health and increased risk of mortality. 283 Leicestershire residents died from alcohol-related causes alone in 2024.

45. Substance use also carries crime and disorder implications with the national drug strategy (from harm to hope: a 10-year drugs plan to cut crime and save lives) including various commitments to tackling supply chains and neighbourhood crime. Prisoners and those in the criminal justice system are at greater risk of substance use than the general population, as identified in the JSNA.

Background Papers

Joint Strategic Needs Assessments (JSNAs) for substance use and alcohol use were completed in 2024 and can be found here https://www.lsr-online.org/leicestershire-2022-2025-jsna

Appendices

Appendix A: Local needs data
Appendix B: Value for money analysis
Appendix C: Procurement options appraisal

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