

## Additional Adult Drug and Alcohol Treatment Service Funding

To: Adults and Health Committee

Meeting Date: 5th March 2026

From: Executive Director, Adults, Health, and Commissioning

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2026/046

**Executive Summary:** This report is to secure the support of the Adults and Health Committee to award grant related funding to commissioned providers through modification of the contract and the Section 75 agreement. The report includes background information and complexities associated with the additional grant funding.

**Recommendation:** The Committee is asked to approve the following recommendations:

- (a) To support the modification of the contract awarded to 'Change Grow Live' for the provision of the Cambridgeshire Drug and Alcohol Treatment and Recovery Service, to include additional grant funding up to the total contract value of £52,811,677 over the seven-year contract duration from 1 April 2026 to 31 March 2033. Inflationary uplifts may be added to the contract value as deemed appropriate and in line with the Council's approved annual Business Plans.
- (b) To support an extension of three years to a Section 75 agreement with the Cambridgeshire and Peterborough Foundation Trust for them to continue to provide the Individual Placement Support Service across Cambridgeshire and Peterborough from 1 April 2026 and ending 31 March 2029 with the total agreement value of £903,681. Inflationary uplifts may be added to the contract value as deemed appropriate and in line with the Council's approved annual Business Plans.
- (c) Peterborough City Council to extend its current Delegation and Partnering Agreement that delegates authority to Cambridgeshire County Council to enter on its behalf into the extended Section 75 agreement with the Cambridgeshire and

Peterborough NHS Foundation Trust to provide the Individual Placement Support Service from 1 April 1, 2026, to 31 March 2029.

- (d) To delegate authority to the Executive Director of Adults, Health, and Commissioning, in consultation with the Adults and Health Committee Chair and Vice-Chair to award the additional funding of £4,950,353 to Change Grow Live as an uplift on the value of the contract that will commence 1 April 2026 and end on 31 March 2033.
- (e) To delegate authority to the Executive Director of Adults, Health, and Commissioning, in consultation with the Adults and Health Committee Chair and Vice-Chair to extend the current Section 75 agreement with the Cambridgeshire and Peterborough Foundation Trust from 1 April 2026 until 31 March 2029 with the total value of £903,681.

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# 1. A healthy, fair and sustainable Cambridgeshire

## *Support a green and sustainable county*

### 1.1 Low carbon Council

- CGL has a net-zero emissions target of 2040, committing to a 50% reduction in carbon emissions in the Cambridgeshire service by 2030
- Providing place-based services, improving accessibility and treatment engagement.
- Encouraging staff and service users to walk, cycle, car share or use public transport (CGL's national 'cycle to work' loans for staff)
- Carefully planned, clustered outreach appointments reducing unnecessary travel
- Providing staff with 2 electric bikes to undertake home and hub visits
- An Environmental Champion in each locality, promoting initiatives to staff

### 1.2 Tackling Climate risks

- CGL have worked with service users to regenerate the gardens within their fixed sites to encourage wildlife and growing of plants/vegetables and promoting benefits of green outdoor space.

### 1.3 Restoring nature

- The CGL service encourages the use of nature areas across Cambridgeshire, giving more people in recovery access and experience of green spaces.
- CGL have worked with service users to regenerate the gardens within their fixed sites to encourage wildlife and growing of plants/vegetables and promoting benefits of green outdoor space.

### 1.4 A circular economy

- The treatment service will save on waste through a:
- National contract with Sustainable Waste Services.
- Small budget for repairs and decorations, supporting preservation and sustainable development of existing spaces (e.g. by using LED lighting)
- Using 100% green electricity in hubs
- 'Print Re-leaf' scheme, offsetting paper wastage
- Delivering needle and syringe service which includes clinical waste disposal

## *Enable full, healthy lives for all*

### 1.5 Eating well

- The CGL service promotes positive physical and mental health and wellbeing
- The CGL main service and recovery service provide food in every hub to ensure individuals have access to food (healthy and nutritious)
- The Edge café which has a Food Hub for the community works closely with CGL in Cambridge to deliver food to service users. (run in collaboration with supermarkets to reduce food waste)

### 1.6 Stronger ties

- The CGL recovery service runs recovery groups in local communities across Cambridgeshire (connecting those in recovery, tackling stigma and reducing isolation)
- The CGL service delivers support to family, friends and carers

- The CGL service runs a volunteer scheme, building closer links with local communities, enabling individuals to 'give back' which provides confidence and independence from drug/alcohol dependency

#### 1.7 Active living

- CGL recovery service promotes physical exercise as key aspect of sustaining recovery and offers activity-based groups including recovery walking

#### 1.8 Independent living

- CGL service supports individuals to make positive change which will include less reliance on services.

*Ensure fairness and opportunity wherever we can*

#### 1.9 The best start in life for children and young people

- Dedicated practitioners to provide intensive support to parents who use substances to improve the life changes of their children.

#### 1.10 Jobs for the future

- The dedicated individual placement service (IPS) enables those with drug and alcohol dependency issues to access employment and return to the workplace.

#### 1.11 Financial security

The specialist drug and alcohol service support this ambition through:

- Promotes long term recovery.
- Addresses homeless/housing needs,
- providing access to welfare benefits (dedicated CAB post)
- Provides access to personalised budgets to support recovery.
- Direct access to the dedicated individual placement service (IPS) enabling those with drug and alcohol dependency issues to access employment and return to the workplace.

#### 1.12 Well connected

- The CGL service provides holistic support, delivering coordinated care by linking in a range of health, social care and community-based services
- CGL supports access to devices (and data) to enable service users to access digital based provision/services which helps to address digital poverty and promote inclusion.

## 2. Background

- 2.1 There is substantial evidence that demonstrates the value of drug and alcohol treatment services. Estimates show that the social and economic annual costs of alcohol related harm amount to £21.5 billion and from illicit drug use £10.7 million. The combined benefits of drug and alcohol treatment amount to £2.4 billion every year, resulting in savings in areas such as crime, Quality-Adjusted Life Years (QALYs) improvements and health and social care. [Alcohol and drug prevention, treatment, and recovery: why invest? - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612222/Alcohol_and_drug_prevention_treatment_and_recovery_why_invest.pdf)

- 2.2 Drug and alcohol prevention and treatment services are funded from the Cambridgeshire County Council (CCC) Public Health Grant. The services are not specifically mandated, but the Public Health Grant conditions include the following statement: A local authority must, in using the grant, "...have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services..."
- 2.3 Following the publication a new National Drug Strategy "From Harm to Hope" in December 2021, Local Authorities have received Central Government annual drug strategy related grant funding to meet national strategic ambitions. These focus upon increasing and improving the capacity and quality of treatment services to reduce harm and improve recovery rates over a ten-year period.

In 2025/26, the Office Health Improvement and Disparities (OHID) amalgamated two National Drug Strategy grants namely the Supplemental Substance Misuse Treatment and Recovery (SSMTR) grant and the Rough Sleeping Drug and Alcohol Treatment Grant (RSDATG) into the single Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG). The DATRIG funding was paid to, and is managed by local authorities, via a Section 31 grant. The DATRIG funding could only be used for investment into the local drug treatment system in line with clear grant conditions and an annual grant spend plan, with associated performance ambitions, locally developed and signed off by OHID. *Section 31 grants are funding from Central Government to local authorities to support specific activity and usually come with conditions.*

- 2.4 The Adults, Health and Commissioning Committee on the 19th of June 2025 approved the re-commissioning of the Adult Drug and Alcohol Treatment service. The new contract would be funded from the core Public Health grant along with the national funding associated with the National Drug Strategy and local external grant funding streams. (The Office of the Police and Crime Commissioner (OPCC) and the Probation Service)

The decision log reflecting the decision making below.

*'Approve a competitive procurement to commission the specialist Service to start on the 1 April 2026 and ending on the 31 March 2033: with the option of a break at 2 years to accommodate any necessary novation of contracts arising from Local Government Reorganisation. Then a further break at 4 years, up to a total value of £47,861,324 (the procurement and contract contain caveats to reduce any risk associated with annual confirmation of external grants). Inflationary uplifts may be added to the contract value as deemed appropriate and in line with the Council's approved annual Business Plans'*

- 2.5 The new contract includes caveats relating to the risks associated with additional grant funding arising from the ongoing uncertainty beyond 31 March 2026 about the continuation and value of the national drug strategy and local external grant funding that has been historically awarded to locally commissioned services. As such the Committee approved funding for the new treatment contract based on levels received in 2025-26, recognising that these may increase, decrease or remain the same. It was agreed that this information would be brought back to Committee if additional approvals were required.
- 2.6 Subsequently following a competitive procurement the contract for the Cambridgeshire Adult Drug and Alcohol Treatment Service was awarded to Change Grow Live (CGL)

who are the current adult treatment service provider. The new contract will start on 1st April 2026.

2.7 The CGL Adult Treatment Service will continue to provide the core elements of drug and alcohol specialist treatment for adults aged 18 years and above including.

1. Assessment and delivery of structured treatment (both psychosocial and pharmacological) and harm reduction interventions.
2. Commissioning responsibility for substance misuse services in community pharmacy settings (supervised consumption, needle and syringe provision, naloxone distribution).
3. Delivery of integrated pathways (hospital Liaison, homeless outreach, inpatient and residential rehabilitation, criminal justice system, family intervention service)
4. Delivery of a community co-produced/peer led recovery service.

The new Service will build on the current delivery model with the following overarching principles.

- Improving access across the county recognising the rurality and diversity of Cambridgeshire.
- Integrated place-based approach to service delivery will be adopted, addressing the complex needs of service users (local system approach).
- Quality of care and provision, supporting those with complex needs alongside other services.
- Recovery orientated, promoting and supporting sustainable recovery at all stages in the treatment journey.
- Innovative and sustainability, test, and trialling new and dynamic ways of delivering services.
- Integration and collaboration (working in partnership) with partner agencies to deliver interventions and develop services.
- Value for money, continued service quality, and improvement within a challenging budget.

2.8 Over the length of the current contract there has been a steady and consistent improvement in the performance of the contract. The National Drug Strategy brought a top ambition to increase overall numbers in specialist drug and alcohol treatment services. Cambridgeshire set an ambition to increase the total numbers in treatment (adults) to 2900 by 31st March 2025 (baseline in March 2022 was 2555). CGL achieved this target in April 2024 and despite re-commissioning of the service, numbers in treatment continue to grow throughout 25/26 and currently sit 2.7% above target.

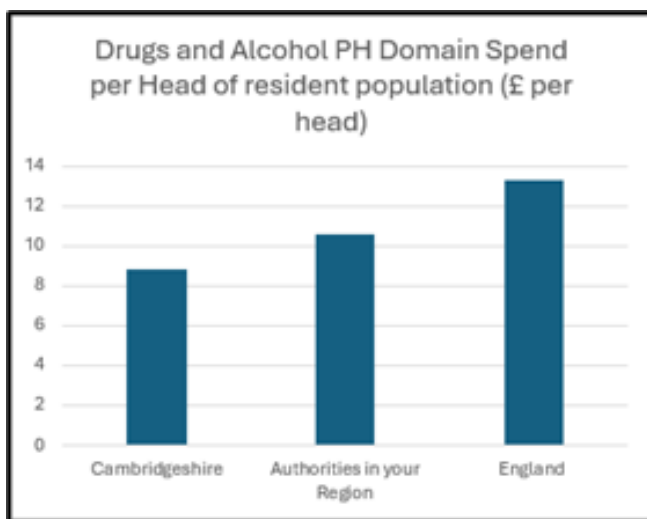
*Drug and Alcohol community treatment statistics are restricted and therefore 25/26 performance data cannot be released into the public domain until Dec 2026. The below table shows a snapshot of performance data in March 2025 (24/25).*

**Table 1: Cambridgeshire and National Treatment Measures Performance March 2024/25**

	Cambridgeshire March 2025 %	England March 2025 %
Treatment progress measure (successful completions, drug free in treatment or reduction in drug use) <i>Higher rates optimal</i>	47%	<b>National Outcome Measures (Adults)</b>
Deaths in structured treatment <i>Lower rates optimal</i>	1.20%	1.28%
Retention rates in treatment (retained or successfully completed at 12 weeks) <i>Higher rates optimal</i>	87%	82%

2.9 The spend per head on current drug and alcohol treatment services benchmarks positively against the East of England local authorities and England. Spend per head in Cambridgeshire is £8.78, East of England average, £10.58 and the England average is £13.29.

**Figure 1: Spend per Head on Adult Drug and Alcohol Treatment Services**



2.10 CCC also receives the Individual Placement and Support Service (IPS) grant funding which is one of the component parts of the National Drug Strategy related funding.

The IPS programme aims to support people with substance use problems to achieve paid employment and enjoy a good quality of life through the benefits associated with paid employment including independence, social inclusion, better recovery, and reduced health inequalities. IPS is highly personalised and features significant employer engagement and offers 'in-work' support as well as 'pre-employment' support.

The distinguishing feature of IPS is that employment support is provided alongside specialist drug/alcohol treatment by integrating employment specialists within the

treatment service as an equal member of the multi-disciplinary team. This establishes employment as a key aim of recovery and integral to the aims of treatment that employment should be part of the recovery journey. It is currently provided by Cambridgeshire and Peterborough NHS Foundation Trust (CPFT).

### 3. Main Issues

- 3.1 The additional grant funding provides the opportunity to develop services and contribute to improving the health outcomes for substance misuse service users. However, there has been historically ongoing uncertainty about their continuance and annual value with confirmation for each year occurring late in the financial calendar. This results in delays in securing the appropriate governance of any additional grants, consequently delaying the appropriate contractual and service delivery, which has occurred with the 2026/27 allocations

#### **Summary of Additional National and Local Funding Grants Awarded to Cambridgeshire for 2025/26**

- 3.2 The Central Government drug strategy related grants received by Cambridgeshire County Council in 2025-26 (broken down by component parts) including the value and intended purpose are listed in Table 2.

**Table 2: List of Drug strategy related grants received by Cambridgeshire County Council in 2025-26 including a description and annual allocation.**

<b>Drug Strategy related funding received by CCC in 25/26</b>	<b>Purpose of the grant funding</b>	<b>2025/26</b>
Supplementary Substance Misuse Treatment and Recovery (SSMTR) (consolidated into DATRIG)	Funding to enhance and improve quality of local drug/alcohol treatment to meet national ambitions	£1,098,415
Rough Sleeping Drug and Alcohol Treatment (RSDAT) (Cambridge City only) (Consolidated into DATRIG)	Funding for Cambridge City to provide dedicated drug/alcohol treatment support for those impacted by rough sleeping/homelessness	£514,014
Individual Placement and Support (IPS)	Funding for a dedicated employment Service for those in structured drug/alcohol treatment	£170,538
Total value of Central Government grants received by CCC in 25/26		£1,782,967

- 3.3 CCC has historically also received smaller local external grants (OPCC and the Probation Service) which provide relatively low value funding for co-commissioned elements of the current treatment system. Table 3 shows the local

external grants received in 2025-26, continuation of these grants is confirmed on an annual basis.

**Table 3: List of local external grants received by Cambridgeshire County Council in 2025-26 including a description and annual allocation.**

Local external grant funding received by CCC in 25/26	Purpose of the grant funding	2025/26
Office of Police and Crime Commissioner: Crime and Disorder Reduction Funding	Contribution towards the Cambridgeshire Drug and Alcohol Treatment system to reduce drug/alcohol related crime and disorder.	£94,000
East of England Probation Service	Co-commissioning and co-investment in rehabilitative and resettlement interventions	£105,536
Total value of local external grants received by CCC in 25/26		£199,536

### **Changes to National and Local External Grants from 2026/27**

- 3.4 In mid-December 2025, Central Government confirmed continuation of the national Drug Strategy related grant funding and published a three-year multi-year grant settlement for 2026-2029. The DATRIG grant funding will no longer be a Section 31 agreement. It has now been amalgamated into a new ringfenced element of the Public Health grant which must be used solely for the purposes of commissioning and providing drug and alcohol prevention, treatment and recovery related services. The IPS funding from 2026/27 has also been amalgamated into the new ringfenced element of the Public Health grant for drug and alcohol services. There will be assiduous monitoring by OHID of the grant which will be reported to Central Government to ensure that the Local Authority does not disinvest, and ring fenced spend for drug and alcohol treatment services.
- 3.5 Local Authorities received allocations reflecting current level of need and service demand in their area. The new multi-year settlement has also tried to address geographical funding disparity by revising and reviewing the funding formula. This acknowledged that areas that were allocated as a tranche one area received up to three times as much funding per person in treatment than tranche three areas by 2024/25. Cambridgeshire was a tranche three area and therefore received lower funding compared to a tranche one area and consequently Cambridgeshire will receive an uplift in funding over the forthcoming three-year period.
- 3.6 Table 4 below shows both the multi-year drug strategy related grant settlement for Cambridgeshire 2026-29 and local external grants (now confirmed for 26/27) broken down by component parts, including funding received in 2025-26 for comparison purposes.

**Table 4: A breakdown of component grant funding for drug and alcohol prevention, treatment, and recovery to be received by Cambridgeshire County Council over three-year funding period (2026-2029).**

<b>Component parts of the Drug Strategy related funding received by CCC</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 (indicative)</b>	<b>2028/29 (indicative)</b>
Supplementary Substance Misuse Treatment and Recovery (SSMTR)	£1,098,415	£1,251,393	£1,557,350	£1,863,306
Rough Sleeping Drug and Alcohol Treatment (RSDAT) (Cambridge City only)	£514,014	£491,105	£467,932	£467,932
Individual Placement and Support (IPS)	£170,538	£175,654	£180,603	£185,953
<b>Total value of Central Govt grants received by CCC</b>	<b>£1,782,967</b>	<b>£1,918,152</b>	<b>£2,205,885</b>	<b>£2,517,191</b>

<b>Component parts of local external funding received by CCC</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 (Not confirmed)</b>	<b>2028/29 (Not confirmed)</b>
OPCC Grant	£94,000	£83,790	£83,790	£83,790
Probation grant	£105,536	£96,741	£96,741	£96,741
<b>Total value of local external grants received by CCC</b>	<b>£199,536</b>	<b>£180,531</b>	<b>£180,531</b>	<b>£180,531</b>

<b>Total drug/alcohol related grant funding received by CCC</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 (Not confirmed)</b>	<b>2028/29 (Not confirmed)</b>
<b>Total Value of grants received by CCC (Central Government and local external grants)</b>	<b>£1,982,503</b>	<b>£2,098,683</b>	<b>£2,386,416</b>	<b>£2,697,722</b>

### **Funding Implications for the New Adult Drug and Alcohol Treatment Service from 2026**

- 3.7 Table 5 below shows the funding breakdown for the new adult Drug and Alcohol Treatment contract which was tendered in 2025 before the updated grant funding was announced by Central Government (December 2025).

**Table 5: A breakdown funding summary of the tendered adult treatment contract**

Funding component	Per annum	7 years contract duration
Core Public Health Grant	£5,060,570	£35,423,990
Central government DATRIG (SSMTR & RSDAT)	£1,587,436	£11,112,052
Local probation & OPCC grant	£189,326**	£1,325,282
<b>Total</b>		<b>£47,861,324</b>

*\*Based on confirmed funding by OPCC (£83,790) & unconfirmed probation funding (£105,536)*

The total value of the tendered contract in 2025 (secured by CGL) was £47.8 million over the full 7-year contract term and included an assumption of a grant contribution equal to the 2025/26 value. *Please note that the IPS funding element has been removed from this table and will be addressed in the latter part of the paper and is not included in the CGL Adult Drug and Alcohol Treatment and Recovery contract.*

- 3.8 Table 5 provides a summary of the updated funding following confirmation of uplifts for 2026/27 and indicative funding for the following two years. To note, assumptions have been made in relation to external grant funding elements (national and local) continuing beyond current terms at current levels. The shaded areas in the table below are, at the time of writing the report, not confirmed and therefore subject to change and annual confirmation.
- 3.9 Additionally, public health commissioners have been requested by NHS England (NHSE) to complete a business case for funding an initial 2 year period, to deliver increased levels of long-acting opioid substitute therapy (OST) to those leaving prison as a means of improving continuity of care, reducing risks of overdose, reduced re-offending rates and improving long term outcomes for individuals. This funding, although currently not secured, has been built into the grant funding figures below to avoid having to return to Committee for further approval if the Authority is successful in its bid.

**Table 6: Summary of updated funding components for the adult treatment contract**

	2026/27 Year 1	2027/28 Year 2	2028/29 Year 3	2029-2033 Years 4-7 based on 28/29 funding levels (To be confirmed)	Total (across 7- year contract term)
Public Health grant funding – drug and alcohol	£5,060,570	£5,060,570	£5,060,570	£20,242,280	£35,423,990
Public Health grant funding replacing specific grants	£1,742,498	£2,025,282 (Indicative)	£2,331,238 (indicative)	£9,324,952	£15,423,970
Probation grant	£96,741	£96,741	£96,741	£290,223	£677,187
OPCC grant	£83,790	£83,790	£83,790	£335,160	£586,530
NHSE long-acting OST	£100,000	£100,000	£100,000	£400,000	£700,000
<b>Total</b>	<b>£7,083,599</b>	<b>£7,366,383</b>	<b>£7,672,339</b>	<b>£30,689,356</b>	<b>£52,811,677</b>

3.10 It is recommended the original tendered contract (secured by CGL and commencing on 1 April 2026) is modified to incorporate the additional Central Government grant funding (confirmed through the multiyear drug strategy funding settlement (2026-2029) and local external grant funding, in line with the new public health grant conditions. This recommendation based on number of reasons.

(a) Historical underfunding.

The additional national funding was driven by evidence that drug and alcohol treatment services were historically underfunded which was the local experience. The core public health funding element of the seven-and-a-half-year term of the contract which will end 31 March 2026. Further under the re-commissioning exercise in 2017-18 a 10% savings target was applied across the contract term. Consequently, at the point of being re-tendered in 2025 the original treatment service model was unaffordable within the core public health funding.

(b) Investment in the new service model

The additional drug strategy grant funding received over the last 4-5 years has been a 'bolt on' with funding tied to enhanced activity and specific deliverables in line with the Section 31 grant terms. The new service model has efficiencies and adaptations and rather than the additional grant investment being a 'bolt on' it has given commissioners the

opportunity to re-design and embed all funding streams into the wider delivery model to meet local need. Under the new contract CGL will be investing in evidence-based interventions to continue to deliver the full range of specialist treatment interventions across Cambridgeshire. However, due to inflationary rises on goods and staffing costs the budget is tight, and the uplifted grant investment (confirmed in December 2025) will help mitigate pressures and enable retention of as much of the workforce which will help to continue to drive improvements in quality e.g. lower caseloads and low wait times to the benefit of services users and their families. Diverting the new grant funding into another service with a different provider will undermine this new core service and its ability to provide quality provision.

### (c) CGL as a Provider

CGL is a responsive, flexible, and solid provider. They are a national organisation operating out of over fifty local authority areas and have influence within the sector. They are familiar with the grant funding scene and the associated uncertainty. They have historically, and currently, performing strongly against annual targets (agreed by OHID) despite the re-commissioning exercise over the last 12-month period. They are committed to delivering the new local treatment contract to the benefit of patients and the wider system which was clearly demonstrated in their detailed tender response.

- 3.11 There will be robust performance monitoring of all elements of the treatment contract including the additional grant funding. The local authority is required to submit a comprehensive annual treatment plan and set stretched performance ambitions which will be scrutinised and require approval by OHID. There will also be independent feedback from those with lived experience embedded into contract monitoring to identify and address any service-related issues and improve quality of delivery.
- 3.12 During the term of the contract there will be changes because of Local Government Reorganisation (LGR) which will also bring a degree of change and uncertainty. The new contract will include the necessary clauses related to LGR, and commissioners will work closely with CGL over the contract term to manage any change/variations to limit disruption to service users and staff.

### 3.13 Alternative Options

The alternative option would be to tender additional services with the uplifted grant funding. This would fragment treatment provision and increase the number of pathways to alternative services and run the risk of clients, who are often vulnerable and underserved, falling between service gaps and undermine continuity and coordination of care.

### **Extension of the Individual Placement and Support (IPS) Contract**

- 3.14 Cambridgeshire initially received national IPS grant money in October 2023 which was confirmed for an 18-month period ending on 31 March 2025. Funding was then extended for an additional 12 months (ending 31 March 2026). In December 2025, the Council received confirmation that the IPS grant was to be further extended beyond the 31 March

2026 and was included in the multiyear Drug Strategy related grant settlement for Cambridgeshire 2026-29.

Table 7 below lays out the IPS grant settlement for 2026-2029 in comparison to the funding received in 2025/26. The shaded columns are where the funding is currently indicative.

**Table 7: overview of IPS funding across Cambridgeshire & Peterborough for 2026-29 compared to 2025/26.**

Individual Placement and Support (IPS)	2025/26	2026/27	2027/28 (indicative)	2028/29 (indicative)	TOTAL: 2026-29 3-year multiyear grant settlement
<b>Cambridgeshire funding</b>	£170,538	£175,654	£180,603	£185,953	£542,210
<b>Peterborough funding</b>	£113,691	£117,102	£120,401	£123,968	£361,471
<b>Total</b>	<b>£284,229</b>	<b>£292,756</b>	<b>£301,004</b>	<b>£309,921</b>	<b>£903,681</b>

- 3.15 Since receiving national IPS grant funding, CCC has worked closely with Peterborough City Council (PCC) (at the request of request of OHID) as both adjoining councils were in the same funding wave (2023/24). PCC delegated authority to CCC to enter into a Section 75 on their behalf with the Cambridgeshire and Peterborough Foundation Trust (CPFT) for them to provide the IPS service in Cambridgeshire and Peterborough. CPFT were already experienced in delivering an effective IPS Service for severe mental illness (SMI) and had both the experience and skills base to mobilise the service quickly and effectively. CPFT work closely with the treatment provider CGL.
- 3.16 The current S75, between the two councils and CPFT, commenced on the 1 April 2025 for an initial 12-month period with the facility to extend by a further 2 years subject to the grant being extended and with local governance approval (from both councils).
- 3.17 In view of the three-year multiyear grant settlement, it is recommended that Committee approve an extension to the current IPS Section 75 with CPFT for additional 3 years until 31 March 2029, with CCC remaining as the lead commissioner (subject to governance approval in PCC. The additional value of the three-year extension is £903,681 (subject to grant confirmation for 2027-29). The total value of the IPS grants (across Cambridgeshire and Peterborough over the full 4-year contract period (2025-2029) is £1,187,910.
- 3.18 The recommendation to extend the Section 75 reflects the strong consistent performance across all indicators since the IPS service commenced. A summary of the 2024/25 performance is shown below in Table 8.

**Table 8: A summary of local IPS service performance 2024/25**

<b>Service Performance Local IPS service (Cambridgeshire &amp; Peterborough)</b>	<b>Total</b>	<b>Target (nationally set)</b>	<b>% of target achieved</b>
Numbers of referrals to the service	283	240	118%
Number of clients who have started a vocational profile	201	180	112%
Number of job starts	66	60	110%
Number of 13-week sustainments	49	36	136%

### **Legal implications**

#### **3.19 CGL Adult Drug and Alcohol Treatment Contract**

In the procurement process the new contract clearly referenced the unpredictability and variability of the grant funding and contract award included indicative contract values. The procurement was conducted under the Provider Selection Regime (PSR). Advice from both Procurement and Pathfinder Legal was that the authority is compliant in awarding the additional funding and modifying the contract when funding allocations are confirmed, as it is less than 25% of the original contract value and is not a material change. This is in line with PSR regulations.

*PSR are the procurement regulations that both NHS and local authority Public Health Services must adhere to when commissioning health services.*

#### **CPFT Section 75 Extension**

Section 75 agreements fall outside of the contract procedure rules, the extension can be executed without any procurement action and in line with Section 75 legislation.

## **4. Conclusion and reasons for recommendations**

### **Additional Grant funding to the Drug and Alcohol Treatment Service**

- 4.1 The Committee is asked to support investing the additional drug and alcohol grants (central and local funding) into the current contract for the adult Drug and Alcohol Treatment Service that CCC holds with CGL, increasing the contract value from the original tender value of £47,861,324 up to £52,811,677. The contract commences on 1 April 2026 and will run for 7 years (ending on the 31 March 2033) with the option of a break at year 2 and year 4. The contract will contain caveats to modify the contract to adapt to changes in funding levels and reduce any risk associated with annual confirmation of external grants.

The request for the Committee's approval of modifying the newly procured CGL reflects the late confirmation and unexpected increase in central government grant funding above levels received by the authority in 2025/26. CGL has secured the new treatment contract under a robust PSR competitive process, the additional enhancement to funding will enable continued development and service improvement under the new model. There would be a strong risk of disrupting implementation of the new delivery model and affect

continuity of care for service users by using the uplifted grant to procure separate provision. Therefore, modifying the new CGL contract to accommodate the uplifted grant funding is recommended.

- 4.2 The Committee is recommended to approve the direct award of the extended IPS grant funding to CPFT for an additional 3 years under the current joint Section 75 agreement. The value of the three-year extension will be up to £903,681. The Section 75 agreement will again contain caveats to modify the contract to adapt to changes in funding levels and reduce any risk associated with annual confirmation of external grants. The Delegation and Partnering between CCC and PCC agreement will also be extended with PCC delegating authority to CCC to enter into the Section 75 on its behalf. The shared arrangement has been requested by OHID.

Again, the late request for the Committee's approval to extend the current IPS Section 75 agreement with CPFT by three years, reflects the delayed confirmation of the value and extension of the national IPS grant. The CPFT IPS service is performing very well against all national indicators, the IPS staff are well embedded into the CGL treatment services which will be continued under the new adult treatment service arrangements and re-procuring at this stage would be both disruptive to service provision for service users and would compromise delivery against the grant funding.

- 4.3 The Committee is also recommended to approve PCC extending its Delegation of Authority to CCC to enter into the Section 75 on its behalf with CPFT to provide the Service across Cambridgeshire and Peterborough. The Section 75 agreement will again contain caveats to modify the contract in response to changes in funding levels. The joint service is at the request of the funding agency, OHID.
- 4.4 The Committee is asked to delegate authority to the Executive Director of Adults, Health and Commissioning, in consultation with the Adults and Health Committee Chair and Vice-Chair to award the additional funding of £4,950,353 to CGL as an uplift on the value of the contract awarded following the procurement process, due to the value of the additional funding.
- 4.5 The Committee is asked to delegate authority to the Executive Director of Adults, Health, and Commissioning, in consultation with the Adults and Health Committee Chair and Vice-Chair to extend the current Section 75 contract by an additional three years and award the total additional grant funding of £903,681 to CPFT.

## 5. Significant Implications

### 5.1 Finance Implications

The financial implications are described above.

Adult Drug and Alcohol Treatment Service funding 2026-33: totality £52,811,677 (over seven-year contract period 2026-2033)

Drug and Alcohol IPS service funding 2026-29: £903,681 (three-year extension)

## 5.2 Legal Implications

The Council will work with Pathfinder Legal Services Ltd to draft contracts and ensure any risks are addressed and ensure that all legal and governance requirements are met under PSR regulations.

## 5.3 Risk Implications

Table 9 summarises the associated risks and mitigations for the proposed recommendations in this paper.

**Table 9: Risks and Mitigations**

No	Risks	Mitigations
1.	Changes in the indicative value of grants, or discontinuation of the grants. This will result in decrease in the workforce and poorer outcomes.	<p>The new service model has been designed to be flexible, and the ambition is to develop a service that offers different treatment delivery options.</p> <p>CGL is a very experienced provider that has track record of good performance. Their tender demonstrated an understanding of the developmental needs of the Service.</p> <p>Similarly, the CPFT IPS has consistently performed very well and has been providing the Service for mental health patients successfully for many years.</p>
2.	There is a need to identify any service delivery risks early e.g. additional inflationary pressures on services, new drugs on the market, new treatments.	The contract/agreement will have strong requirements for early identification of any risks and a clear system for escalation and addressing them in collaboration with commissioners where appropriate. The new contract/agreement will have robust key performance indicators and adopt open book accounting scrutiny.
3.	The Local Government Reorganisation from April 2028 will potentially disrupt services affecting vulnerable service users.	It will be important as soon as the new council landscape is confirmed to identify where there could be any potential short-term gaps and put in service measures to provide additional support.

## 5.4 Equality and Diversity Implications

People who access Drug and Alcohol Treatment Services generally experience health and other inequalities that arise from a range of socio-economic circumstances and are compounded by misuse of drugs and alcohol. The Services aim to address not only drug and alcohol use but also the wider factors that influence their substance use and their overall health and wellbeing outcomes. A completed Equality, Impact Assessment (EQIA) form is attached as an appendix to this report.

## 5.5 Climate Change and Environment Implications

The Drug and Alcohol Treatment services can impact upon the environment and climate change through the delivery of services. Key actions that contribute are as follows.

- Commissioned treatment providers encourage the use of nature areas across Cambridgeshire, giving more people in recovery access and experience of green spaces.
- Commissioned treatment providers have worked with service users to regenerate the gardens within their fixed sites to encourage wildlife and growing of plants/vegetables and promoting benefits of green outdoor space.
- Commissioned treatment provider promotes the use of electric bikes to conduct home visits in Cambridge City.
- Providing place-based services, improving accessibility and treatment engagement.
- Supporting travel costs, promoting use of public transport to enable attendance at health appointments.

In addition, the proposed commissioning approach will embed and support the Council's net zero carbon emissions ambitions through a more place-based approach to service delivery, where feasible. This will mean that service users will be able to access services locally and not have to travel. In addition, any commissioned service will be expected to provide a digital option for accessing services, if appropriate.

The procurement included a quality question related to carbon emissions. Carbon emission monitoring was embedded into the service specification and contract and will be part of performance monitoring.

## 6. Source Documents

### 6.1 [Alcohol and drug prevention, treatment and recovery: why invest? - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/alcohol-and-drug-prevention-treatment-and-recovery-why-invest).

National Drug Treatment Monitoring System, Office for Health Improvement and Disparities

[NDTMS - Home](#)

[Commissioning quality standard: alcohol and drug services - GOV.UK](#)

[Investing in the public health grant - The Health Foundation](#)