



Havering
LONDON BOROUGH

CABINET

Subject Heading:

Permission to extend the Adults Drug & Alcohol Contract for 3 years and approval for an uplift to the contract value

Cabinet Member:

Councillor Gillian Ford, Cabinet Member for Health and Adult Care Services

ELT Lead:

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The UK Government's 10-year drugs strategy, 'From Harm to Hope', sets out a whole-system approach to tackling substance misuse, aiming to reduce drug use, cut supply chains, and deliver a world-class treatment and recovery system.

Policy context:

Locally, the Havering Combating Drugs Partnership has responded by developing a comprehensive strategy and conducting a detailed needs assessment, which highlights rising substance misuse-related crime, increasing alcohol-related mortality, and significant unmet treatment need, over two-thirds of opiate and crack users and 82% of alcohol misusers in Havering are not in treatment.

Substance misuse is recognised as a complex public health issue that impacts individuals, families, and communities, with the most deprived areas facing the greatest burden. Commissioned services aim to address these challenges through integrated, evidence-based interventions, partnership working, and a focus on prevention, early intervention, and recovery, in line with both national expectations and the specific needs of Havering's population.

Financial summary:

The budget for the 3-year extension and an uplift will come from existing public health core grant funding.

The Director of Public Health has been consulted on this decision and has confirmed approval for the expenditure from the public health core funding, as set out in this report.

The total contract value for 3 years, including the uplift is £4,474,903.00

Year 1 - £1,464,041

Year 2 - £1,491,452

Year 3 - £1,519,411

Total - £4,474,903.00

Is this a Key Decision?

Key Decision as expenditure is over £500,000

When should this matter be reviewed?

10/06/2026

Reviewing OSC:

Peoples Overview & Scrutiny Committee

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council

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SUMMARY

This report proposes that Cabinet approves the three-year extension of the Adults Drug and Alcohol Service contract in Havering, delivered by Change, Grow, Live (CGL), from 1 April 2026 to 31 March 2029, along with an uplift of £501,205 to the contract value for this period. The intended outcome is to ensure the continued delivery of high-quality, integrated prevention, treatment, and recovery services for adults in Havering who misuse drugs and alcohol. The extension and uplift are necessary to address rising operational costs and maintain service quality and capacity, thereby supporting vulnerable residents, meeting statutory responsibilities, and aligning with national and local strategies to reduce substance misuse harms.

RECOMMENDATIONS

This report recommends that Cabinet agree to:

- A) Enact the 3-year extension option within the contract with Change, Grow, Live Services Limited for the Adults Drugs & Alcohol Service for years 26/27 27/28 28/29 with a total value over the 3-year period of £4,474,904 commencing on 1st April 2026 and,
- B) Approve an uplift in cost over the 3 years totalling £501,206 (as compared to the base contract), to be funded from the Public Health grant.

REPORT DETAIL

Change, Grow, Live Services Limited (CGL) currently holds the contract for the provision of Adults Drug and Alcohol Services in Havering and the Initial 5-year contract period ends on 31st March 2026 and the London Borough of Havering (LBH) now seek to enact the 3-year extension option built into the contract, which will take the contract to 31st March 2029. In addition, CGL are seeking an uplift for the 3-year extension period for years 2026-29, having already had an uplift agreed for previous years.

Overview of the contract

Since 2013, the service has been funded by the Council's Public Health Grant to deliver support services for the prevention, treatment and recovery of adults in Havering who misuse drugs and alcohol. The service leads on supporting adults recover from their misuse working closely with key local services to ensure primary care, social care, mental health, housing and criminal justice pathways are in place and effective. In addition, the service provides harm reduction services including education and training, needle exchange services across the borough, psychosocial and pharmacological treatment as well as

pathways to relevant employment and training services. A comprehensive list of the services specified in the contract are as follows:

- Acute Hospital Alcohol liaison (i.e. local hospital)
- Criminal justice liaison (e.g. court, prisons, probation)
- Community detoxification
- Needle Exchange
- Supervised Consumption
- Residential Detoxification and rehabilitation services
- Key-working and supervision
- Group-work programmes
- Family & Carers support
- Counselling support
- Volunteering and mentoring support and training
- Transition from young people's substance misuse service
- Multi-agency, joint working with wider stakeholders
- Professionals training (e.g. social care, health)
- Clinical expertise and leadership
- (IPS) Individual Placement Service (Support to Employment)

Budgetary Pressures

Over recent years, sustained inflationary pressures have led to a continuous rise in operational costs across CGL's core service areas. Key expenditure lines including staffing, utilities, dispensing costs, pharmacy services, IT, and essential supplies, have seen significant increases. As a result, adult service budgets are being stretched to their limits. Without an uplift in funding for the coming years, this ongoing financial strain will directly impact the organisation's ability to deliver consistent, high-quality services. The uplift is only required to account for CGL's increased costs caused by inflationary pressures. CGL will not provide any additional services that were not agreed in the contract following the uplift. The uplift will not change the economic balance between the Council and CGL.

Without additional financial support, there is a significant risk that the capacity and quality of services for vulnerable adults will be compromised, undermining national and local strategies to reduce substance misuse harms. The proposed uplift for the three-year extension (2026–2029) of the Adults Drug and Alcohol Service contract with Change, Grow, Live (CGL) is essential to sustain prevention, treatment, and recovery services for Havering residents. Since the service's inception, inflationary pressures have driven up costs across staffing, utilities, pharmacy, and essential supplies, stretching the budget to its limits. The uplift will ensure continuity of care, support multi-agency pathways, and avoid the disruption and higher costs associated with re-procurement. Benchmarking shows that the CGL service in Havering delivers strong value for money compared to similar boroughs, operating at a relatively modest contract value while boroughs with similar or smaller populations and treatment volumes have notably higher allocations. The proposed increase aligns with inflationary adjustments already recognised for 2024–2026 and is necessary to maintain high-quality, integrated services that meet the ongoing needs of the local population.

In 2024, an uplift of £306,381 was approved for the financial years 2024–2026 only, with the funding split as £121,789 for 2024/25 and £184,583 for 2025/26. Inflationary pressures were recognised at the time of issuing this uplift, and projections for subsequent years indicate a comparable financial requirement, particularly as such pressures continue to impact service delivery costs. Cost-saving measures such as recruitment freezes were implemented in 2024 and remain in place.

Finances

When awarded with this contract in 2021 the contract amounts specified for years 2026-2029 were as follows:

| Year | 2026/27 | 2027/28 | 2028/29 | Total 3 years |
|-------------------------------|----------------|----------------|----------------|----------------------|
| Original Contract Cost | £1,306,509 | £1,324,446 | £1,342,743 | £3,973,698 |

For the reasons mentioned above, the total anticipated cost of the contract is now as follows:

| Year | 2026/27 | 2027/28 | 2028/29 | Total 3 years |
|-------------------------------|----------------|----------------|----------------|----------------------|
| Uplifted Contract Cost | £1,464,041 | £1,491,452 | £1,519,411 | £4,474,904 |

Therefore, to meet the deficit the below amounts are needed by way of an uplift in order for CGL to continue to deliver the existing offer and service:

| Year | 2026/27 | 2027/28 | 2028/29 | Total Uplift |
|------------------------|----------------|----------------|----------------|---------------------|
| Uplift Required | £157,532 | £167,006 | £176,668 | £501,206 |

The total cost for the contract extension for 3 years, with the inclusion of the uplift:

| Year | 2026-2029 |
|----------------------------------|-------------------|
| Total cost to the Council | £4,474,904 |

Performance

CGL are performing well in relation to several of their KPI's, however there is room for improvement in others. CGL accept that there are improvement areas, for example, the number of opiate users entering treatment, and are willing to work with commissioners on an improvement plan should the uplift be granted.

In addition, the service has pro-actively worked well with commissioners and Public Health on areas such as Synthetic Opioid preparedness plan, Drug and Alcohol Reviews of Death (DARD), and Grant returns, showing the benefit that CGL brings to the work and projects.

CGL has built strong partnerships with primary care, mental health, housing, and criminal justice services, which would be difficult to replicate quickly with a new provider. The process of retendering would be resource intense, costly and the market is unknown. Familiarity and consistency remains for the service users by remaining with CGL as an established service allowing continuous care an established local integration.

Referral Numbers

Referral numbers for Havering have remained consistent across the last three years, with no major drop-offs, indicating continued demand and community engagement even under growing financial pressure. As of March 2025, there are 540 clients on the caseload. All clients in care have planned psychosocial work, along with opportunities to participate in-group work, 121 key work sessions, counselling, peer support and mutual aid sessions.

Harm Reduction Outcomes

Numbers fluctuated across the years, however consistently met the top quartile across years 23-25. In 24/25, 67.1% of eligible clients were tested for Hep C in Havering (vs 58.3%

nationally). Additionally, 100% of PCR-positive clients were referred for Hepatitis C treatment for Havering (vs 82.3% nationally).

NDTMS Compliance

Has been consistent at 100% across all years reflecting strong data quality and reporting.

Retained in Treatment Measure

Havering outperforms national averages in retaining clients in treatment. In 24/25 99.4% of alcohol and non-opiate clients were retained or completed treatment for 12+ weeks, compared to the national average of 86.1%. This is a good indicator of service quality and engagement. However, Opiates were slightly below the national average at 91.3% versus 93.5%.

Alcohol Treatment Progress/ Completion:

Successful Community Alcohol Detoxification Completions were consistently met across years 23-24, with a decline observed in 2025; however, CGL remain above the national average at 35.7%. Progress in both opiate and non-opiate treatment has declined, yet a key indicator within the Local Outcomes Framework—the Treatment Progress Indicator, measured every 12 weeks—shows that CGL are currently achieving a 48% outcome rate, compared to the national average of 47%. Furthermore, all treatment completions are consistently underpinned by a recovery plan.

Education/Training/Employment

As at end March 2025, 517 of the 540 (95.7%) clients were accessing Education/Training and or Employment. Service users receive tailored support to build their skills and confidence for employment, including personal skills assessment, job preparation, and access to relevant education, training, and volunteering opportunities. The service works in partnership with local employers and agencies to identify and support access to relevant education, training, and employment opportunities. The service also provides harm reduction and overdose prevention training, and ongoing in-work support to help users sustain employment.

Early Unplanned Exits

All years met the threshold of 5% for Alcohol and 10% for Non-Opiates, with consistently low rates indicating strong retention in treatment. Although Opiates did not meet the 10% threshold for the past two years, it is important to highlight that Havering is performing better than the national average for unplanned exits for Opiates, with a rate of 20.2% compared to the national 21.4%. This lower performance in relation to Opiates reflects a wider national trend and is not unique to CGL. Furthermore, Havering has substantially lower early exit rates than national averages, particularly for non-opiate and alcohol clients (1% for Havering versus 18.6% nationally), suggesting clients are being appropriately assessed and supported throughout their treatment journey.

Estimates of Unmet Needs of Alcohol and Drugs Users in Havering

The service successfully reduced the numbers of unmet need in relation to those not in treatment for Opiates and Crack, however Alcohol is above the required numbers.

Rough Sleepers

The DD post which is funded from the Housing team has seen some positive work in the reach of numbers of homeless clients, with 102 for 24/25 being worked on collaboratively with CGL and the homelessness team.

Mental Health Conditions

CGL improved the care of co-occurring mental health conditions which was a long-standing issue for all previous providers. Clients entering treatment identified as having a mental health treatment need for Opiates is 61.0% (72 / 118), Non-opiate 75.7% (81 / 107), Alcohol 60.5% (127 / 210), Alcohol and non-opiate 76.3% (61 / 80). CGL now have a joint working protocol in relation to Mental Health, so clients are receiving a more joined up approach where they have a Mental Health need alongside substance and alcohol misuse.

Recommendation

Cabinet is recommended to approve the three-year extension of the Adults Drug and Alcohol Service contract (2026–2029) and the associated uplift of £501,205. This uplift is necessary to address inflationary pressures and rising operational costs, ensuring the service can maintain quality and capacity for Havering's vulnerable adults. Approval will safeguard continuity of care, support national and local strategies, and avoid the disruption and higher costs of re-procurement. This approach represents the best value and stability for both service users and the Council.

REASONS AND OPTIONS

Reasons for the decision:

Enacting the full extension period and allowing the uplift: Is the recommended option, as approving the uplift and enacting the three-year extension will ensure continuity of care and stability for vulnerable adults, particularly those with complex needs, by avoiding the disruption and disengagement risks associated with transitioning to a new provider. CGL has consistently delivered against key performance indicators and quality standards, supported by strong multi-agency partnerships and local knowledge, which enhance service responsiveness and effectiveness. This approach aligns with the national drugs strategy, supports access to effective treatment and recovery, and is based on realistic financial projections that build on previously approved increases. It also avoids the financial and administrative burden of re-procurement and potential service disruption. Performance will be robustly monitored by LBH and an improvement action plan implemented where any areas fall short.

Other options considered:

Do Nothing: If the contract is not extended and no uplift is approved, all commissioned adult drug and alcohol services in Havering would cease. This would leave vulnerable residents without access to essential prevention, treatment, and recovery support, leading to increased substance misuse-related harm, higher hospital admissions, and greater pressure on health, social care, and criminal justice services. The loss of integrated pathways and specialist support would exacerbate health inequalities, disrupt multi-agency working, and negatively impact families and communities. The Council's reputation would be damaged, and statutory and strategic responsibilities would not be met. For these reasons, the "do nothing" option is not considered viable.

Not allowing the Uplift: If the additional £501,205 funding is not secured, the service will not be sustainable, resulting in unfilled roles and increased caseloads, which will contribute to staff stress, burnout, and higher turnover, further straining service delivery. Service quality will decline as static staffing levels fail to meet rising demand, causing delays in interventions and limiting support for complex cases, ultimately reducing treatment success rates.

Operational efficiency will be compromised as collaboration and training are deprioritised, with increased absenteeism and burnout further diminishing capacity. Clients will experience longer waiting times for assessments and appointments, weakening relationships and continuity of care, and increasing frustration and disengagement. The closure of key services, such as counselling and recovery hubs, will reduce access to vital support, damage the Council's reputation, hinder recruitment, and erode public trust. Public health outcomes are likely to deteriorate, with potential increases in crime, hospital admissions, and social isolation.

Re-procuring: Ending the current service and re-procuring carries significant risks, including potential procurement failure due to affordability or lack of market interest, as cautioned by the Care Act 2014 regarding market destabilisation. Service disruption may occur, with vulnerable clients facing gaps in care and complex cases particularly at risk. The loss of CGL's established relationships, multi-agency partnerships, and local knowledge would reduce service responsiveness and effectiveness. Re-procurement would also incur substantial internal costs, including legal, commissioning, mobilisation, IT transition, and governance. Any disruption or failure in service delivery could damage the Council's reputation with residents, partners, and regulators. Given that the constitution is weighted at 70% price and 30% quality, it is highly probable that CGL will be successful in securing the tender again.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report recommends that Cabinet approves a 3-year extension option within the contract for the Adults Drugs & Alcohol Service for years 26/27 27/28 28/29 with a total value over the 3-year period of £4,474,904 commencing on 1st April 2026. In doing so, it is also requesting that Cabinet approves an uplift in cost over the 3-years totalling £501,206 as compared to the base contract, to be funded from the Public Health grant.

When this contract was awarded in 2021 the contract amounts specified for years 2026-2029 were as follows:

| Year | 2026/27 | 2027/28 | 2028/29 | Total 3 years |
|-------------------------------|----------------|----------------|----------------|----------------------|
| Original contract Cost | £1,306,509 | £1,324,446 | £1,342,743 | £3,973,698 |

However, having reviewed the costs, the total expenditure planned is as follows:

| Year | 2026/27 | 2027/28 | 2028/29 | Total 3 years |
|-------------------------------|----------------|----------------|----------------|----------------------|
| Uplifted contract cost | £1,464,041 | £1,491,452 | £1,519,411 | £4,474,904 |

Therefore, the increase over the three period is as follows:

| Year | 2026/27 | 2027/28 | 2028/29 | Total 3 years |
|-----------------------|----------------|----------------|----------------|----------------------|
| Total Uplifted | £157,532 | £167,006 | £176,668 | £501,205 |

It should be noted that an uplift was agreed for financial years 2024/25 and 2025/26:

| Year | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
|-------------------------------|------------|------------|------------|------------|------------|
| Original contract Cost | £1,296,647 | £1,288,923 | £1,306,509 | £1,324,446 | £1,324,743 |
| Uplifted contract cost | £1,418,436 | £1,473,506 | £1,464,041 | £1,491,452 | £1,591,411 |
| Uplift | £ 121,789 | £184,583 | £157,532 | £167,006 | £176,668 |

Therefore, the uplifted 2026/27 contract amount of £1,464,041 delivers a saving of £9,465 against the uplifted 2025/26 amount of £1,473,506.

The uplift against the contract baseline position reflects a period of relatively high inflation between 2021 to date. Agreeing the uplift will ensure continuity of care and stability for vulnerable adults, particularly those with complex needs, and avoids the disruption and disengagement risks associated with transitioning to a new provider as well as the administrative costs associated with a re-procurement. The small saving of £9,465 between 2025/26 and 2026/27 reflects continued efforts between the Council and the provider to find savings where possible to ensure the contract continues to represent value for money. The contract is deemed to be performing well, and benchmarking suggests it provides value for money. If the additional £501,205 funding is not secured, the service in its current guise will not be sustainable.

The cost of the contract, including the uplift will be met from the Council's Public Health grant. There is a risk that if other costs currently funded by the Public Health grant increase and/or if the Council's Public Health grant allocation reduces, there will not be sufficient funding to meet the cost of this contract. This risk is mitigated by potential use of the Public Health grant (subject to necessary approvals).

Legal implications and risks:

The Council has a duty in section 12 of the Health and Social Care Act 2012 to take appropriate steps to improve the health of the people who live in its area. The Council is making a decision to extend and vary the existing contract for the adults drugs and alcohol service for that purpose.

The Council can activate the extension of a contract that has a clear, precise and unequivocal revision clause in accordance with regulation 72(1)(a) of the Public Contracts Regulations 2015. The extension is clearly, precisely and unequivocally provided for in the contract.

Appendix E for Charges contains a table of the costs for the 8 years of the contract, which are the 5 years of the initial term and the 3 years of the extension period. Clause E4 states that the amount payable to the service provider includes all costs of staff, facilities, equipment, materials and other expenses incurred by the provider as outlined in the table.

Clause B22.1 allows certain amendments and variations of the contract to be made in writing. Clause B22.2 allows either party to request a variation to the contract by sending the other party a variation notice setting out the proposed variation. Clause B22.3 states the allowed amendments and variations include adjustments to the Charges.

The proposed variation will not alter the overall nature of the contract or change the economic balance between the parties. The Council can agree to modify the contract through the proposed variation in accordance with regulation 72(1)(a) of the Public Contracts Regulations 2015.

Therefore, the Council can extend the contract and agree to the proposed variation of the contract.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable Human Resources implications or risks.

Equalities implications and risks:

Havering has a diverse community made up of many different groups and individuals. The Council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- I. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- II. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- III. Foster good relations between those who have protected characteristics and those who do not.

Note: 'protected characteristics' are: age, gender, race and disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

The recommendations made in this report do not give rise to any identifiable equalities and social inclusion implications or risks and therefore an (Equality and Health Impact Assessment) is not required.

Health and Wellbeing implications and Risks:

The recommendations made in this report do not give rise to any identifiable Health and Wellbeing risks. The nature of this service is about the health and wellbeing of the service users and therefore would have positive implications on those service users.

Environmental and Climate Change implications and Risks:

The recommendations made in this report do not give rise to any identifiable environmental implications or risks.

Cabinet, 10/12/ 2025

None