



Title	Drug and Alcohol Treatment and Recovery Contract
Purpose of the report	To make a decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Melissa Wise, Executive Director – Communities & Adult Social Care (DCASC)
Report author	Sally Andersen, Senior Commissioner Drugs and Alcohol
Lead Councillor	Councillor Rachel Eden, Lead Councillor for Education & Public Health
Council priority	Safeguard & support the health & wellbeing of Reading's adults & children
Recommendations	<ol style="list-style-type: none">1. That Reading Borough Council procures a new drug and alcohol treatment and recovery contract to commence on 1 October 2026, for a long-term duration of 10 years.2. That the annual Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) is incorporated into the contract, only if the Government announces its continuation beyond March 2026, allowing flexibility to enhance service delivery in line with grant conditions, subject to continued government funding.3. That authority is delegated to the Executive Director – Communities & Adult Social Care, in consultation with the Lead Councillor for Education & Director of Public Health to award the contract and any subsequent extensions following completion of the 2026 tender process.4. That the Council enters a contract with the successful provider for an initial period of five years, with the option to extend for a further three years and then an additional two years (5+3+2), subject to performance and funding.5. That authority is delegated to the Director of Public Health, Assistant Director of Property & Asset Management, in consultation with the Leader of the Council, the Lead Councillor for Health, the Director of Finance, and the Assistant Director of Legal and Democratic Services, to grant a new lease to the successful provider for the use of 4 Waylen Street, Reading, on terms aligned with the duration of the treatment contract, as set out in section 3.6 as further required to protect the Council's interests.

1. Executive Summary

1.1. Reading Borough Council's Public Health Team commissions mandatory public health services that include Public Health Nursing (Health Visitors and School Nurses)

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

integrated sexual health; stop smoking; drug and alcohol treatment and recovery services along with other community development and prevention projects across the borough, so that residents can access appropriate evidence-based services.

- 1.2. The current Drugs and Alcohol treatment and recovery contract commissioned by the Council is scheduled to end in September 2026. Therefore, this report seeks to authorise market engagement, procurement, and the award of a contract and lease through delegated powers to deliver a new service model.
- 1.3. Following collaborative discussions with neighbouring Berkshire local authorities, the proposal recommends to progress with a single procurement exercise solely for Reading, commissioning a new 10-year contract; 5 years with a possible 5-year extension.
- 1.4. The current drug and alcohol treatment and recovery service is delivered from a 4 Waylen Street/ 127 Oxford Road which is a Reading Borough Council owned property. It is the intention to continue to use this property and align it with the contract terms under a new lease. However, the long-term plan is for the successful provider to work collaboratively with the Council to identify, secure, and renovate new premises that are fit for purpose. The existing lease arrangement will ensure continuity of service and provide necessary flexibility for both the provider and service users during the transition period.
- 1.5. The government has announced its 2025-26 drug, alcohol, and recovery grant funding for local authorities, allocating £310 million to support councils in enhancing treatment and recovery services. These grant allocations align with the recommendations from Dame Carol Black's 2021 Independent Review of Drugs and complement earlier grant funding announced this year. Notably, several previously separate grants, including those for inpatient detoxification, rough sleeping drug and alcohol treatment, and supplemental substance misuse and recovery—have been consolidated into a single Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG). Reading Borough Council will continue to commission inpatient detoxification and intensive prescribing services through subregional consortiums.
- 1.6. The announcement of DATRIG allocations beyond 25/26 is expected in December 2025, and the allocations are expected to be over a longer term than one year. Due to the late announcement of the DATRIG allocations and the procurement timetable deadlines, it is recommended to design a specification and funding stream for a core offer and an enhanced offer until future funding allocations are known.
- 1.7. The Multiple Disadvantage Outreach Team Contract (MDOT), funded by the DATRIG, ends September 2026. If the Drug & Alcohol Treatment and Recovery Improvement grant continues in 26/27, it is the intention that the MDOT contract is included in the new drug and alcohol treatment and recovery contract as an enhanced offer.

2. Policy Context

- 2.1. The procurement exercise aligns with Reading Borough Council's commitment to reducing drug and alcohol use and supporting recovery within the community. The new contract will ensure a sustainable, evidence-based approach to treatment services, in line with national and local health policies, promoting improved public health outcomes.
- 2.2. Drug and Alcohol Services are not statutory nor are they mandated, however the Public Health Grant conditions state that local authorities must have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services.
- 2.3. In 2020 the Government released its 10-year strategy and plan called 'Harm to Hope'. It aimed to cut crime and save lives by reducing the supply and demand for drugs and delivering a high-quality treatment and recovery system.

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest> 2

- 2.4. Since 2021, the Government strategy allocated £780million to local authorities to supplement the drug and alcohol treatment system in England. This contract, will be required to utilise the Grant, currently known as 'Drug and Alcohol Treatment and Recovery Improvement Grant' (DATRIG), which is administered by the Office for Health Improvement. The grant has been provided on an annual basis in previous years and will be used to contribute to funding for the new drugs and alcohol treatment and recovery contract
- 2.5. The contract will align with Berkshire West Health and Wellbeing Strategy 2021-2030 priorities one and two, to reduce the differences in health between different groups of people and support individuals at high risk of bad health outcomes to live healthy lives.
- 2.6. The Berkshire West Needs Assessment 2022 [Berkshire-West-Drug-and-Alcohol-needs-assessment-2022-v0.4.pdf](#) presents the priority needs for Reading:

Prevalence and Harm: Reading has higher rates of problem drug and alcohol use compared to the England average, especially with opiate use. Each year, about 150 alcohol-related and 20 drug-related deaths occur in Berkshire West, with Reading experiencing higher-than-average rates of related deaths and hospital admissions.

Treatment Gap and Access: There is a large gap between those estimated to need treatment and those accessing services, especially for alcohol problems. Stigma and lack of access remain barriers. Efforts are needed to ensure everyone who requires help in Reading can get it.

Crime and Social Impact: Problem drug use is linked to violent crime in the Thames Valley, with Reading showing higher rates of drug-related crimes, including cannabis possession and trafficking.

Treatment Population and Trends: Opiate users dominate the treatment population in Reading. Males are more likely to be in drug treatment, no gender difference in alcohol treatment. Rates of cannabis and cocaine use are rising elsewhere but remain stable in Reading. Successful treatment completion rates for opiate and non-opiate users are lower in Reading than the national average, with high early dropout rates.

Recovery Challenges: Abstinence rates, especially for alcohol and non-opiate drugs like cocaine and cannabis, are declining. Employment outcomes for those in treatment are low, with some improvements seen in housing support and the Individual Placement Support (IPS) Contract which commenced early 2025.

Co-occurring Issues: Mental health needs are prevalent; over half of adults in drug or alcohol treatment have mental health issues, with better integration between substance misuse and mental health services needed.

- 2.7. The re-procurement of a new contract is a strategic opportunity to reshape Reading's drug and alcohol services to close treatment gaps, improve equity, reduce crime and hospitalisation and promote recovery, not just engagement.

3. The Proposal

- 3.1. Reading Public Health Team proposes to undertake a competitive open tender process for the drug and alcohol treatment and recovery service in Reading to ensure it is fit for purpose and offers value for money. It is proposed to
 - * award a new contract for 5 years with an option to extend for an additional 3+2 years. A longer contract is more attractive to the market and will have the least impact on service users.

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest> 3

- * To incorporate learning from the 2025 independent service user consultations to shape the service model and specification.
- *To continue to utilise the Department of Health and Social Care (DHSC) DATRIG grant funding within the service framework.
- *To re-issue a lease at the existing service premises, 4 Waylen Street, Reading, to support service delivery.

3.2. The proposal is to procure for Reading alone, rather than a joint procurement with neighbouring local authorities due to the timelines and the need to ensure continuity of services. This approach allows for faster implementation and a more focused, flexible delivery model, ensuring that Reading's local population can access timely and effective drug and alcohol treatment services. While collaboration with other authorities may offer long-term benefits, the current timeframe does not support the complexities involved in coordinating multiple authorities. There also added complexities regarding the Local Government Review and the outcome of the Ridgeway proposal. Therefore, proceeding with the contract independently for Reading would best meet the immediate needs of the community.

3.3. The contract terms and conditions will incur 12months notice so that this offer of joint procurement can be reviewed again in the future, pending more certainty of funding streams and political direction.

3.4. Current Position

Current services in Reading

Adults

Change Grow Live Reading (CGL Reading) is the incumbent Provider for drug and alcohol treatment and recovery services. CGL Reading provides an open access service providing information and advice about drug use and harm reduction; preparation for and referral into formal, structured drug treatment; case management, care planning and key working; and structured psychosocial interventions, prescribing of substitute medication for those with an opiate dependency in both specialist clinics and through shared care with GPs throughout the community; community-based detoxification for those with an opiate or an alcohol dependency and referral for inpatient detoxification and/or inpatient rehabilitation services.

CGL Reading contract terms end 30th September 2026. The service offers treatment to 1316 individuals (May 2025 data).

3.5. Options Proposed

- (a.) Option 1 Do Nothing – Not recommended as Public Health have a duty to ensure the uptake of drug and alcohol treatment places.
- (b.) Option 2 – Reading Public Health Team commission, a drug and alcohol treatment and recovery service for their own area.
- (c.) Option 3 - One of the 6 local authorities in Berkshire commission all services within one contract and as part of that contract the service must be provided in the other areas as well. The leading authority will be remunerated for providing this service by the other local authorities. It should be noted that there are variations across Berkshire in how drug and alcohol treatment services are commissioned for adults and young people. Three areas have integrated services, while the remaining three areas commission adult and young people services separately. An option would be to tender services in lots depending on the decisions for integrating all/ some of the services.

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest> 4

(d.) Option 3 - directly award a contract under the Procurement Act or Public Contracts Regulations (PCR/PSR) to the current Provider. This is not recommended as a direct award removes competition, which is a key mechanism to drive innovation, improve quality and ensure Reading is achieving cost-effectiveness. A re-tender allows fresh scrutiny of service design and offers the chance to appoint a provider equipped to meet local needs

3.6. Relocation and Premises Development - In retendering the contract, it is recommended that the Council re-enter into a new Lease on 4 Waylen Street with the winning provider from 1st October 2026, with the terms briefly known as:

Tenant	TBA
Property	The whole of the property known as 4 Waylen Street/127 Oxford Road, Reading RG1 7UR
Lease term	For a term of 5 years from 1st October 2026 - 30 September 2036.
Rent p.a	Peppercorn.
Permitted use	The Tenant to provide a drug and alcohol treatment and recover service in accordance with the Contract
1954 Act Protection:	The Lease will be contracted out of security of tenure provisions of the Landlord & Tenant Act 1954, Part II
Repairs, maintenance/decoration	The Tenant will be responsible for full internal and external repair and maintenance.
Occupier costs	The Tenant to be responsible for all costs, fees and charges associated with its occupation and use of the premises

3.7. It is proposed that the lease will be for a period commencing 1 October 2026 and expiring on 30th September 2031 (5 years), with an additional extension option of five years to be agreed after year five, and year seven (5+3+2).

3.8. As part of the new contract, the successful provider will be required to work in close collaboration with the Council to identify, secure, and renovate new premises that are fit for purpose and aligned with the needs of service users. The intention is for the service to relocate from the current Waylen Street accommodation within the first 12 months of the contract term.

To support this accommodation transition, a one-off increase of £100,000 has been allocated to the contract in Year one. This funding is intended to contribute towards the costs associated with securing and refurbishing the new premises, including feasibility assessments, lease negotiations, planning permissions, and necessary building works.

3.9. The existing lease at Waylen Street will remain in place during the transition period to ensure continuity of service and provide flexibility for both the provider and service users. However, under the new contract, there will be a strategic shift away from the current peppercorn rent arrangement, which has historically placed minimal financial and operational responsibility on the provider.

3.10. Under the new contract, the winning provider will be expected to:

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

- (a.) Take full responsibility for the lease of the new premises, including negotiating terms, managing rental payments, and ensuring compliance with all legal and regulatory obligations.
- (b.) Take liability for premises-related risks and costs, such as insurance, maintenance, repairs, utilities, and health and safety compliance.
- (c.) Demonstrate financial and operational sustainability in managing the new premises over the life of the contract, with clear governance arrangements and contingency planning.

- 3.11 This change reflects a broader move towards provider-led ownership and accountability for the physical infrastructure supporting service delivery. It is intended to promote long-term stability, encourage investment in quality environments, and ensure that premises are responsive to the evolving needs of service users.
- 3.12 In addition to meeting core service delivery requirements, the new premises should:
 - (a.) Explore opportunities for co-location with other relevant services (e.g. mental health, housing, or community support) to enhance integration, improve accessibility, and deliver better outcomes for service users.
 - (b.) Meet high accessibility standards, ensuring the premises are inclusive and welcoming to all service users, including those with physical disabilities, sensory impairments, and neurodiverse needs.
 - (c.) Incorporate sustainability principles, such as energy-efficient design, use of sustainable materials, and consideration of long-term environmental impact. Providers are encouraged to consider how the premises can contribute to local climate and carbon reduction goals.

- 3.13 A detailed relocation plan, including timelines, milestones, and risk mitigation strategies, will be required within the first quarter of the contract. This plan should outline how the provider will ensure minimal disruption to service users and staff, and how the new premises will enhance service accessibility, safety, and quality.

4. Contribution to Strategic Aims

- 4.1. The new contract will align with Reading Council's Plan to safeguard and support the health and wellbeing of Reading's adults by
 - Promote more equal communities in Reading. The new contract will work to reduce health inequalities by providing accessible, evidence-based support to vulnerable individuals affected by drug and/or alcohol use, helping them re-integrate into society.
 - Secure Reading's economic and cultural success - Supporting recovery helps individuals return to employment, education, and community life, contributing positively to the local economy and social cohesion
 - Deliver a sustainable and healthy environment and reduce our carbon footprint - By supporting healthier lifestyles and reducing drug- and alcohol-related harm in public spaces, the service contributes to a safer, cleaner, and more sustainable community.
 - Safeguard and support the health and wellbeing of Reading's adults and children - The core aim of the service is to improve physical and mental health outcomes for individuals and families affected by substance misuse, including safeguarding children in affected households
 - Ensure Reading Borough Council is fit for the future - The contract will be designed to be flexible, evidence-led, and financially sustainable, aligning with national policy and funding streams to ensure long-term viability

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest> 6

4.2. To deliver these priorities, Reading Borough Council Public Health team as the commissioner will be guided by

- Putting residents first. Specifications and services are continuously shaped by consultation with service users and those with lived experience.
- Building on strong foundations. Builds on existing successful service delivery and partnerships across Reading.
- Recognising, respecting, and nurturing all our diverse communities. Services are inclusive and tailored to meet the needs of Reading's diverse population.
- Involving, collaborating, and empowering residents. The service model encourages co-production and peer support, empowering individuals in recovery.
- Being proudly ambitious for Reading. The service aims to deliver high-quality, innovative services, striving to improve and reduce health inequalities.

5. Environmental and Climate Implications

5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers) and is committed to reducing its environmental impact across all services

5.2. The procurement and delivery of the new drug and alcohol treatment and recovery contract are not expected to have significant direct environmental or climate impacts. The service will continue to operate from an existing Council-owned building, while working collaboratively to seek alternative fit for purpose premises within year one.

5.3. However, opportunities will be explored within the new contract to encourage environmentally sustainable practices, such as:

- Promoting digital access to services where appropriate to reduce travel emissions.
- Encouraging providers to adopt low-carbon operations, including energy-efficient buildings and sustainable procurement.

6. Community Engagement

6.1. To ensure the borough has a fit for purpose drug and alcohol treatment and recovery service, Intuitive Thinking (IT) who are a lived experience recovery organisation, carried out an independent service user consultation from January 2025 to June 2025 with individuals who access the service and engaged with individuals who are not currently accessing treatment. The results will be used to shape the new specification.

6.2. Reading Public Health Team will ensure ongoing engagement with local stakeholders, including health services, police, and voluntary sector partners throughout the procurement process

7. Equality Implications

7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to -

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2. An Equality Impact Assessment (EqIA) is relevant to the decision and is attached as Appendix A.

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest> 7

- 7.3. The Equality Impact Assessment for the commissioning of drug and alcohol treatment services identifies several groups at risk of experiencing barriers to access, including ethnic minorities, LGBTQ+ individuals, people with disabilities, care-experienced individuals, and veterans. These groups may face stigma, cultural insensitivity, or practical challenges such as language barriers and lack of tailored support. While these impacts are considered justifiable due to the complex nature of drug and alcohol use and recovery, the commissioning process includes robust measures to mitigate them such as co-production with diverse communities, staff training in cultural competence, and targeted outreach.
- 7.4. To ensure equity and inclusion, the new service will be required to monitor access and outcomes by protected characteristics, provide translation and interpretation services, and collaborate with relevant agencies (e.g. mental health, housing, children's services). Public Health will oversee quarterly equality monitoring, annual reviews, and continuous feedback from service users and stakeholders. The aim is to deliver a trauma-informed, culturally competent, and accessible service that improves health outcomes and supports recovery across all communities.

8. Other Relevant Considerations

- 8.1. Public Health Implications: The service directly supports public health outcomes by reducing substance and alcohol related harm, improving health and wellbeing, and supporting recovery.
- 8.2. Risk Management: Risks associated with service continuity, funding, and provider performance will be managed through robust contract management and monitoring arrangements.
- 8.3. Health and Safety: Providers will be required to comply with all relevant health and safety legislation and undertake appropriate risk assessments.
- 8.4. Privacy and Data Protection: A Data Protection Impact Assessment (DPIA) will be completed to ensure compliance with GDPR and data security standards.

9. Legal Implications

- 9.1 The procurement process will comply with the Public Contracts Regulations 2015 and Reading Borough Council's Contract Procedure Rules.
- 9.2 Delegated authority is required to implement the procurement, award the contract, and finalise associated lease arrangements.
- 9.3 Legal advice has been sought to ensure the lease renewal and contract terms are robust and mitigate legal and financial risks to the Council.
- 9.4 The recommendation of this report requires the Council to grant a lease in accordance with the terms stipulated in paragraph 3. The lease will be contracted out of the Landlord and Tenant Act 1954.
- 9.5 The Council has a general power of competence under Section 1 of the Localism Act 2011, which gives the Council power to do anything an individual can do, subject to any statutory constraints on the Council's The recommendations in this report are in keeping with the General Power.
- 9.6 The Council also has powers under Section 123(1) of the Local Government Act 1972 to dispose of land in any manner it wishes, subject to subsection 123(2) which provides that land should not be disposed of for less than best consideration on a transfer of the freehold or lease of more than 7 years. This is a lease for 5 years.
- 9.7 An independent valuation provided by external valuers advises that the estimated rental of the property is £33k pa.

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest> 8

9.8 The Council is to however charge a peppercorn rent under the service contract rather than a market rent to avoid incurring a financial recharge to public health services, ensuring resources are directed where they're most needed.

10. Financial Implications

10.1 The procurement exercise will aim to secure best value for money within the existing budget envelope, ensuring efficient use of public funds.

10.2 The Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) will be fully utilised to enhance service delivery, without placing additional financial pressure on the Council.

10.3 Any future contract award will be subject to detailed financial evaluation and formal approval processes to ensure affordability and sustainability. Successful provider(s) will be assessed to remain a going concern for the duration of the contract period and to have either met or exceeded the risk thresholds set by the local authority.

10.4 Budget Provision
Public Health grant funding is confirmed for the 'Core' element of the contract for at least the first 5 years of the contract, with any contract extensions beyond this period predicated on the confirmation of requisite Public Health funding confirmation. The 'Enhanced' element of the contract will be confirmed, with any extensions beyond that period based on the government funding announcement for DATRIG at the end of 2025.

Grant	26/27	27/28	28/29	29/30	30/31
Public Health Grant	£2,040,770	£1,940,770	£1,940,770	£1,940,770	£1,940,770
Core offer Total	£2,040,770	£1,940,770	£1,940,770	£1,940,770	£1,940,770
DATRIG Grant	£1,541,526 TBC assumption based on 25/26 grant figure	TBC	TBC	TBC	TBC
Enhanced Total	£3,582,296				

10.5 Value for Money

Investing in drug and alcohol treatment saves money. Public Health England guidance estimates

Alcohol treatment: £3 return for every £1 invested, rising to £26 over 10 years.

Drug treatment: £4 return for every £1 invested, rising to £21 over 10 years.¹

These outcomes reduce future demand on healthcare, criminal justice, and social services.

10.6 Financial Risk Assessment. The Public Health Grant provides stable, ongoing funding for core services. However, the DATRIG grant is subject to annual renewal by the Department of Health. If this funding is withdrawn, the Council will work with the appointed provider to scale back enhanced services funded through DATRIG, in line with available resources.

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

11 Timetable for Implementation

11.1 Procurement Timetable

January 2026	Open Tender Published: Tender is published, with a 30-day deadline for responses
February 2026	Tender Response Deadline
February – March 2026	Evaluation of Tenders: Evaluation of responses submitted during the open tender period.
March 2026	Report Recommendation: Report with recommendations to be submitted to the Executive Director and Lead Councillor for approval.
April 2026	Award Contracts
April 2026	Standstill
May -September 2026 (4 months)	Implementation Period & TUPE: Begin service implementation, including the Transfer of Undertakings (TUPE), if applicable.
September 2026	Current Contract Ends
1 October 2026	New Contract Start

12 Background Papers

12.1 There are none.

Appendices

Appendix A EIA

¹ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>