TORBAY COUNCIL

Report title: Drug and Alcohol Treatment Contract

Report to:	Cabinet
Date:	24 November 2026
Lead Cabinet Member:	Cllr Hayley Tranter, Cabinet Member for Adult and Community Services, Public Health and Inequalities
Email:	hayley.tranter@Torbay.gov.uk
Lead Director:	Lincoln Sargeant, Director of Public Health
Email:	lincoln.sargeant@torbay.gov.uk
Wards affected:	All

1. Summary of Report:

1.1 To seek approval for the procurement and subsequent award of a contract for adults (18+) integrated drug and alcohol treatment services, including harm reduction, treatment, medication provision, rehabilitation, inpatient and recovery services.

1.2 Due to the short-term nature of the contract (see sections three and four), this paper requests the endorsement for public health to explore with Commercial Services the viability of awarding a two plus one (2 + 1) year contract to Waythrough whilst a full-scale re-procurement exercise is developed.

2. Recommendations and Proposed Decision:

2.1 To approve the commencement of the procurement process, to be undertaken in accordance with advice and guidance provided by Commercial Services.

2.2 That the Director of Public Health, in consultation with the Cabinet member for Adult and Community Services, Public Health and Inequalities, be given delegated authority to award the drug and alcohol contract following the completion of the procurement exercise referred to in 2.1 above.

3. Reasons for the Proposed Contract and its Benefits:

3.1 Currently there is a contract with the Torbay and South Devon NHS Foundation Trust (TSDFT) for there are two imperatives that need to be addressed. Firstly, addressing the performance and quality requirements of the contract to stabilise service delivery. Secondly, to ensure there is no disruption in the treatment of those in service after September 2027 when the extension of the contract with TDFT runs out.

3.2 By awarding this contract it ensures continuity of an essential service to those most disadvantaged in Torbay; people experiencing substance misuse are amongst the most vulnerable people in Torbay. Delivering effective services for people experiencing substance misuse is central to the Council's priorities and the intention to 'bring about real, sustainable change for those in greatest need within our communities, with residents experiencing good mental health, being supported with their complex needs'.

3.3 It will provide effective space to ensure a thorough and future-proofed procurement process is fully scoped to provide best value to Torbay for the long-term benefit of its residents.

3.4 It ensures that any opportunities for co-commissioning alongside the emerging new local authorities neighbouring our area is available to the new authority should LGR continue.

3.5 It ensures a service that is required as part of the public health ring-fenced grant is maintained.

3.6 It diversifies the market in Torbay by bringing in a new, non-statutory provider into the area.

3.7 This work contributes to key aspects of the Torbay Council Business Plan 2024/27 (2026 Refresh) [1] Priority C1: Ensuring our town centres are safe and welcoming and [2] Priority C7: Improving wellbeing and reducing social isolation.

4. Background and Context:

4.1 With the Multiple Complex Needs Alliance (MCNA) contract ending on 31 March 2027, Torbay Council approached the respective delivery partners (TSDFT for drugs and alcohol (D&A)) to determine the appetite for a two-year extension to the service contract (to March 2029). This separation of services from the integrated Alliance model is due to the lack of effective transformation expected of the Alliance over its initial 5-year term and the potential significant investment required to enable it to 'stand still' (see Overview and Scrutiny report September 2026 in the background documents).

4.2 TSDFT clarified in a meeting with Torbay Council on 17 July 2026 that their intention was to no longer continue with the drug and alcohol contract beyond 30 September 2027 and would therefore only be looking for a six-month extension post April 2027 to enable a quick and orderly exit from the contract.

4.3 Separately public health are also working with TSDFT with regards to the following existing and emerging current drug and alcohol contractual risks:

4.3.1 Contract cost reduction and ongoing expenditure management by TSDFT.

4.3.2 Staffing and model redesign required due to the above.

4.3.3 Emerging concerns regarding patient safety and effectiveness.

4.3.4 Significant performance and delivery issues.

4.4 Consequently the Public Health team has had exploratory discussions with Waythrough (current provider of D&A services in Devon, and also currently sub-commissioned by TSDFT to deliver aspects of the Torbay services) regarding whether a direct award would be of interest to them from the point of contract handover in September 2027.

4.5 The direct award option is being explored in parallel to other procurement options with Commercial Services colleagues to ascertain the procurement legislation this process would sit under (either PSR for Health or the Procurement Act) and implications this may have for the preferred route to market.

4.6 The conversations with Waythrough have included their experience in managing transitions into their organisation from other drug and alcohol services, including TUPE and estates. The provider has provided assurance that they have extensive experience in managing large-scale TUPE of personnel from the NHS into their organisation from previous procurements elsewhere. They therefore also have experience of extracting healthcare and personnel records from large, established NHS organisations.

4.7 Waythrough are cognisant of the arrangement that TSDFT have with DPT for the lease arrangements for the current premises (Shrublands House, Morgan Avenue, Torquay) and this will feature early in any early transition planning regarding whether maintaining this arrangement or securing new premises is in the best interest of the service and its users.

4.8 Waythrough have significant experience delivering substance misuse services nationally; they are experienced in delivering stability from day-one as well as expertise to enable transformation and innovation through the term of the contract utilising what works well elsewhere.

4.9 These exploratory conversations have concluded that a minimum of 2 years (plus the option of up to a further 1-year extension) will be the minimum contract length necessary to ensure that any provider would have sufficient time to:

4.9.1 TUPE staff and deliver cost and workforce redesign required.

4.9.2 Stabilise the service through the rapid period of change required.

4.9.3 Establish and embed the new performance and governance processes required.

4.9.4 Stabilise the contractual risks and liabilities they will inherit.

4.9.5 Recoup the upfront costs incurred as a result of the significant work required to set up, inboard and integrate the service.

4.10 A 2+1 contract could also be advantageous for the local authority as it provides three potential contractual exit points that may be in the collective interest, whilst allowing for sufficient ‘bedding-in’ for Waythrough. Primarily, there are opportunities that emerge should

LGR be re-instated because the current Devon County Council contract (which we expect to be novated to the new Devon Councils) expires in March 2030, and thus provides three varying points in time to conclude this new contract:

4.10.1 After 2 years in September 2029 = Completing the open market procurement before the current Devon County Council contracts lapse in Sept 2029 (i.e. 'getting in early' so we have a head start with the market and not have our procurement potentially being deprioritised due the opportunity to bid for the wider Devon contracts).

4.10.2 After 2.5 years in March 2030 = Tying in with the wider Devon Councils procurement timescales, enabling a joint procurement process, if that's a preferred model for economies of scale.

4.10.3 After 3 years in September 2030 = Allowing the wider Devon procurements to complete before ours, allowing us space to assess the local market's interest, capability and capacity.

4.11 It should be noted that the provider market for this specialist service is limited, and we do not expect significant interest and or risk of challenge for any direct award. For context, Devon directly awarded a 1 year, +1, +1 (2027-2030) contract to Waythrough recently with no formal challenge.

5. Data, Evidence and Insight:

5.1 Significant insights work, including consultation and engagement were undertaken to inform the creation of the MCNA. This learning remains relevant, with the ambitions expressed having not been realised to date. These will continue to be applied for any future service delivery models.

5.2 Engagement, consultation and coproduction have been integral to the MCNA model. This will be embedded in all future models for adult drug and alcohol treatment.

5.3 There is clear ongoing demand for drug and alcohol services with numbers in treatment still over 1,100 per annum, as per National drug and alcohol performance data.

However, performance is declining across a range of metrics including, but limited to:

5.3.1 Numbers in treatment have generally declined from 1,405 in Q3 2023/24 to 1,129 in Q4 2025/26.

5.3.2 Retention in treatment was consistently around 95% until 2022/23, after which a sustained decline began. Retention fell to 75% in Q2 2025/26 before recovering modestly to 82% in Q1 2026/27.

5.4 Treatment progress has deteriorated steadily from 61% in Q2 2021/22 to 47% in Q1 2026/27.

5.5 Successful completions have generally slowly fallen since 2021/22, putting Torbay consistently outside the top quartile/25% performing local authority (compared to our peers).

5.6 Re-presentations to treatment are volatile but have generally increased (worsened) since 2023/24.

5.7 Critically the contract is being ‘handed back’ and therefore the authority needs to urgently put in place a new contract for when the current contract ends in circa 11 months.

5.8 There is growing local evidence where there are some concerns regarding the effectiveness of the current service as a result of recent audits undertaken by public health.

6. Alternative Options Considered:

6.1 To meet the conditions of the grant we cannot ‘do nothing’; therefore, we must ensure Torbay residents have access to drug and alcohol treatment services.

6.2 An open market procurement has been considered, but there is insufficient time to deliver an effective procurement within the timescales given the complex nature of the service.

6.3 With TUPE being required, a lead in of at least 6 months is the minimum to enable the service to transfer, thus not leaving sufficient time from November to March to commence and complete the procurement process.

7. Contract Term and Budget:

7.1 The contract term would be two years, with the option to extend for up to one further year. Total length would be a maximum of three years.

7.2 This would allow for any consolidated procurement to occur during 2029-30 should LGR occur and it is in the collective interest of the new emerging authorities.

7.3 The contract value would be approximately £9.4m across the three years and meets the DHSC requirement to maintain drug and alcohol spend at current levels.

7.4 This is fully accounted from by the public health ring-fenced grant.

8. Procurement Routes to Market:

8.1 See section 6. Proposed solution is to directly award the contract for an interim contract, to provide sufficient time to assess open market procurement options and allow any LGR implications to be fully understood.

8.2 The contract would not be lotted as this is a complex, clinical service with no material advantage to Torbay Council by disaggregating this into smaller, more inefficient, lots.

8.3 The specific route to market, either PSR for health or Procurement Act 2023, is being scoped by Commercial Services currently.

9. Best Value Duty:

9.1 Social Value (SV) will be negotiated with the provider should a direct award option be approved. The SV outcomes that would be negotiated would be the same as those proposed in 9.2.

9.2 Alternatively, if an open market procurement is required, public health would use the Social Value Themes and Outcomes guidance, developed by Commercial Services, to support the development of the contractual SV outcomes. However, the areas that it would be expected that providers working in this area would be able to support include (but would not be limited to):

9.2.1 Torbay residents gain the skills, qualifications and practical experience needed to progress into employment and priority sectors.

9.2.2 Local SMEs and VCSE organisations secure greater economic benefit from local spend and are supported to grow sustainably.

9.2.3 People who experience SEND have improved access to inclusive education, training and employment opportunities.

9.2.4 Local communities and VCSE organisations have greater capacity to respond to local needs and support residents experiencing disadvantage, vulnerability or exclusion.

9.2.5 Residents benefit from welcoming, accessible and inclusive community spaces.

9.2.6 Community-led projects and initiatives strengthen participation, connection and pride in Torbay.

9.2.7 Residents benefit from clean, safe and accessible green and coastal spaces.

10. Consultation and Engagement:

10.1 Significant insights work, including consultation and engagement were undertaken to inform the creation of the MCNA. This learning remains relevant, with the ambitions expressed having not been realised to date. These will continue to be applied for any future service delivery models.

10.2 Engagement, consultation and coproduction have been integral to the MCNA model. This will be embedded in all future models for adult drug and alcohol treatment.

10.3 A full suite of market and service user testing and insights, including wider stakeholders, will be completed on the future open-market procurement so that the learning and insights gathered through the MCNA Alliance can be tested and refreshed.

11. Contract Management:

11.1 Public health will continue to monitor drug and alcohol treatment services, and with this being separated from the MCNA, will give greater direct control to public health to performance manage the provider with specific reference to this service.

11.2 Key performance indicators will remain as they are, specifically:

- 11.2.1 Numbers in treatment.
- 11.2.2 Retention in treatment.
- 11.2.3 Treatment progress.
- 11.2.4 Successful completions.
- 11.2.5 Re-presentations.

11.3 Contract review processes will follow the standard Torbay local authority contract management framework with contract reviews occurring quarterly with escalation to public health senior management on a six-monthly basis.

12. Implications:

Legal Implications:

12.1 There is a risk that the option to direct award, when published, is challenged. If this occurs an open market procurement will have to be initiated and the risks of being unable to deliver the procurement on time will emerge.

12.2 There may be an impact on service model viability due to LGR with corresponding legal implications arising due to the need to novate, consolidate or merge contracts.

Corporate Parenting/Children and Young People:

12.3 While the drug and alcohol service supports adults, a proportion will have parenting responsibilities. However, there should be little to no implications as this would be a continuation of service.

12.4 The services adopt a family, collaborative approach to enhance parental resilience and improve people's parenting.

12.5 The drug & alcohol services through their work with parents look to prevent care proceedings whenever possible.

12.6 Any future models would maintain these approaches.

Associated Risks, Risk Tolerance Level and Mitigations:

For further guidance, please refer to the following intranet page - Risk Management

Risk	**Risk score before mitigations (likelihood x impact)**	**Mitigations**	**Risk Score after mitigations (likelihood x impact)**	**Risk tolerance**
Inability to transfer service due to incomplete records (HR/data/performance/case notes)	L = 3 I = 4 = 12	This would be primary workstream if contract agreed to map out and ensure we have the necessary paperwork in place well in advance of transfer. Case notes are on Halo and so should be exported with the transfer of the system to a new provider.	L = 2 I = 2 = 4	4
Financial implications of transferring the service are unaffordable for receiving organisation	L = 2 I = 4 = 8	Financial mapping has already been undertaken with incumbent service where the LA has received assurance that its financial information it holds for the provider is correct and accurate. Therefore, any missing or erroneous finances should be limited to smaller elements of the services	L = 1 I = 2 = 2	6

		resulting in smaller more manageable impacts.		

Other Implications:

12.7 There are no anticipated direct impacts on the wider Council as a result of this procurement that have not been identified elsewhere.

13. Equalities Impact Assessment:

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	• 18% of Torbay residents are aged under 18 years old. • 55% of Torbay residents are aged between 18 to 64 years old. • 27% of Torbay residents are aged 65 and older.	Family need is identified and responded to, not only adults. There should be no material impacts (positive or negative) as this is a continuation of the existing service. The young people's service remains unaffected.	However public health is exploring how 18-25 year olds can received treatment services differently, potentially creating a bespoke 18-25 service to specifically deal with those transitioning from a young persons to an adult service.	n/a
Carers	• At the time of the 2021 census there were 14,900 unpaid carers in Torbay. • 5,185 of these carers provided 50 hours or more of care.	Recovery is integral to reducing the demands on cares significant others. Additionally supporting family members is integral to the service model.	n/a	n/a
Care experienced	• As of January 2026, there were 277 former care experienced young	There should be no material impacts (positive or negative) as this is a	n/a	Public health and children's

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	people aged 18-24 in Torbay.	continuation of the existing service and the service is open to all adults.		services, April 2027.
Disability	• In the 2021 Census, 23.9% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.	There should be no material impacts (positive or negative) as this is a continuation of the existing service whose current model is inclusive, with many who access support having physical and/or mental health difficulties and this includes continued use of the existing building which has access for those with mobility issues including wheelchairs. Facilities are available where no stairs are required.	n/a	n/a
Gender reassignment	• In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth.	The service is open and accessible to all. There should be no material impacts (positive or negative) as this is a continuation of the existing service.	n/a	n/a

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Marriage and civil partnership	• Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.	The service is open and accessible to all. There should be no material impacts (positive or negative) as this is a continuation of the existing service.	n/a	n/a
Pregnancy and maternity	• Between 2013 and 2024, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 56.0 per 1,000) than the Southwest (53.4) and broadly in line with England (56.3). • For the period 2022 to 2024, rates in Torbay (44.6) have been significantly below England (50.0).	The service is open and accessible to all. There should be no material impacts (positive or negative) as this is a continuation of the existing service.	n/a	n/a
Race	In the 2021 Census, 96.1% of Torbay residents	The service is open and accessible to all and this expectation will be required of the new provider. Drug and alcohol	n/a	n/a

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	described their ethnicity as the following: • 1.6% as Asian, Asian British or Asian Welsh • 0.3% as Black, Black British, Black Welsh, Caribbean or African • 1.5% as being of Mixed or Multiple ethnic groups • 96.1% as White • 0.4% described their ethnicity another way. • Black, Asian and minoritised ethnic communities are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.	services are experienced in working with the most excluded in society and therefore will be commissioned to ensure no-one faces accessibility or differences in outcomes due to their race. There should be no material impacts (positive or negative) as this is a continuation of the existing service.		
Religion and belief	The 2021 Census showed that the residents in Torbay	The service is open and accessible to all.	n/a	n/a

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	identify their religion and/or belief as the following; • 48.5% are Christian • 0.4% are Buddist • 0.2% are Hindu • 0.6% are Muslim • Less than 0.1% are Sikh • 0.1% are Jewish • 0.7% have another religion • 43.2% have no religion • 6.3% did not answer	There should be no material impacts (positive or negative) as this is a continuation of the existing service.		
Sex	• 51.3% of Torbay's population are female. • 48.7% of Torbay's population are male.	The service is open and accessible to all. There should be no material impacts (positive or negative) as this is a continuation of the existing service.	n/a	n/a
Sexual orientation	In the 2021 Census, residents described their sexuality as follows;	The service is open and accessible to all.	n/a	n/a

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	• 89% as Straight or Heterosexual • 1.7% as Gay or Lesbian • 1.1% as Bisexual • 0.1% as Pansexual • 0.1% described their sexuality another way • 7.4% of people didn't answer the question	There should be no material impacts (positive or negative) as this is a continuation of the existing service.		
Armed Forces Community	• In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. • In Torbay, 5.9% of the population have previously served in the UK armed forces.	The service is open and accessible to all. There should be no material impacts (positive or negative) as this is a continuation of the existing service.	n/a	n/a
Additional considerations:				
Socio-economic impacts (Including impacts on child poverty and deprivation)	• Torbay is ranked as the 39th most deprived upper tier local authority in England in the Index of	This service is specifically aimed at those who are experiencing the most disadvantage and are most likely to be in the more deprived communities.	n/a	n/a

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
	Multiple Deprivation 2025.	Therefore, this service will have a positive impact on these characteristics.		
Public Health impacts (Including impacts on the general health of the population of Torbay)	• For the five-year period 2020 to 2024, data shows there is a 6-year life expectancy gap between males who live in Torbay's least and most deprived areas and, a 3-year gap for females.	This service is specifically focussed on improving the health and wellbeing of a particularly disadvantaged group, who experience some of the worse health inequalities and early mortality in our residents. This service looks to positively impact on both physical and mental health as well as the wider wellbeing to themselves, their families and their communities.	n/a	n/a
Human Rights impacts		Human rights are respected and promoted by treatment services. There should be no material impacts (positive or negative) as this is a continuation of the existing service.	n/a	n/a

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Child Friendly (Children's Rights Impact Assessment (CRIA) considerations): *Summarise the CRIA considerations for this proposal, including which groups of children and young people may be affected (e.g., care experienced children/young people, care leavers, children with SEND), how their rights and best interests have been considered, and any engagement undertaken with children/young people and/or their representatives. Set out any mitigations to address identified adverse impacts and how these will be monitored.*		The service supports and protects some of the most vulnerable children and young people in Torbay directly or indirectly. There should be no material impacts (positive or negative) as this is a continuation of the existing adults only service.	n/a	n/a

14. Cumulative Council Impact:

14.1 This service interfaces into a number of other Council services such as adult social care, the homeless hostel and revenue and benefits.

14.2 The treatment services are in place to improve the lives and outcomes for vulnerable communities in Torbay. This has current and future benefits for adult social care, children's social care, community and environmental services as well as reducing financial demands on the council.

14.3 The change of supplier will require amendments and updates to referral pathway and joint working arrangements.

15. Cumulative Community Impact:

15.1 The cumulative benefit is derived by the service model that recognises service delivery being built around the person in an integrated way.

15.2 Additionally, there is cumulative benefit at community, family and individual levels by addressing the underlying causes to trauma, distress to self and others.

15.3 The future model will continue with this this intent.

Appendices:

None.

Background Documents:

Adult Social Care and Health Overview and Scrutiny report September 2026 Agenda for Adult Social Care and Health Overview and Scrutiny Sub-Board on Thursday, 3 September 2026, 2.00 pm

Officer Contact Details:

Name: Ian Tyson

Title: Head of Public Health Improvement

Email address: ian.tyson@torbay.gov.uk