

DELEGATED DECISIONS BY CABINET MEMBER FOR PUBLIC HEALTH AND INEQUALITIES

14 JULY 2026

Substance Use Service for Children and Young People

Report by Director of Public Health and Communities

RECOMMENDATION

- 1. The Cabinet Member is RECOMMENDED to**
 - a. Approve the proposal to commission a Substance Use Service for Children and Young People through a procurement exercise and transition to a new 7-year contract on a 3-year initial term with the option to extend for up to 4 years in aggregate. The budget for this service will be up to £700,000 per year as set out in section 5 below, funded by ringfenced drug and alcohol funding within the Public Health Grant.**
 - b. Delegate to the Director for Public Health authority to manage the service design for the procurement and following completion of the procurement exercise award the contract to the successful bidder.**
- 2. Executive Summary**
 - a) Under the Health and Social Care Act 2012, the County Council has a duty to improve the health of the local population by ensuring that there are services aimed at reducing substance use. Delivery of Children and Young Person's Substance Use Services contribute to fulfilment of this duty.
 - b) This report sets out the proposal for continuing the Oxfordshire Children and Young People's Substance Use (CYPSU) Service beyond 31 March 2027 and recommends proceeding with commissioning a new service model through a competitive process under the Health Care Services (Provider Selection Regime) Regulations 2023.
 - c) The current core service provides support for Children and Young People (CYP) affected by their own alcohol or drug use, and for those affected by the substance use of parents or carers. Despite local need, the target headline performance metric of the numbers of children engaged in structured treatment has not been met over the course of the contract.

- d) The recommended option is to commission a new standalone service through a competitive process under the Health Care Services (Provider Selection Regime) Regulations 2023.
- e) The proposed total contract value for delivery of the CYPSU service is a maximum of £700,000 per annum, with a whole life cost of circa £4,900,000 at maximum level. Funding is allocated from the Substance Use budget within the Public Health Grant. This budget is ring-fenced within the public health grant for substance use provision.
- f) This recommendation was approved by Public Health Directorate Leadership Team on 8 June 2026 and is going to Commercial Board on 9 July 2026.

3. Background

Current Service

- a) The current service provides support for Children and Young People (CYP) affected by their own alcohol or drug use, and for those affected by the substance use of parents or carers. Two additional services include a whole-family intervention, and an extension to the age range of up to 25 years for some young adults.
- b) The contract commenced on 1 April 2023 and is currently in a 1-year extension period, due to end 31 March 2027.
- c) The service currently provides:
 - Structured one-to-one psychosocial treatment for CYP using alcohol or drugs
 - One-to-one psychosocial support for CYP affected by other people's substance use
 - Targeted brief interventions and advice
 - Information and prevention campaigns
 - One-to-one community resolution interventions for CYP found in possession of illicit drugs
 - Information and specialist casework support to professionals
 - Whole family intervention programme

Oxfordshire Context

- d) An options appraisal and business case was presented to Public Health Directorate Leadership Team highlighting evidence of need and the importance of an effective CYPSU service to reduce short-term substance use related harms, and as a form of prevention to mitigate the long-term risk of dependencies persisting into adulthood.
- e) The service has experienced performance challenges against national treatment ambitions. Benchmarking and system engagement suggest these issues are not unique to Oxfordshire but point to opportunities for improvement. Nationally,

numbers of children in structured treatment have been increasing since 2020/21¹.

Recommendation

- f) Commissioning a new service through a competitive process under the Health Care Services (Provider Selection Regime) Regulations 2023 is recommended.
- g) Direct Award Process A is not recommended because the existing provider is not the only one capable of providing the service.
- h) Direct Award Process B is not recommended because there is no restricted patient choice of provider for this service.
- i) Direct Award Process C is not possible as the current supplier is not meeting KPI's of the current contract.
- j) Most Suitable Provider process is difficult because the market is competitive and there is not one clear choice as there are performance issues in this sub-sector nationally. This is outlined in 3 e) above. Therefore, it is not likely the Council can identify the most suitable party without running a competition.
- k) This leaves us with the competitive process as the only realistic option under the regulations to ensure value for money. A preliminary market engagement will be carried out.

4. Corporate Policies and Priorities

- a) A Substance Use Service for CYP aligns with Oxfordshire County Council's (OCC) strategic direction, values and principles as outlined in the [Strategic Plan 2025 – 2028](#)². This includes a vision to help people live healthy lives and provide access to services that can enhance the quality of life in our communities.
- b) The service also supports the [Oxfordshire's 2024-2030 Health and Wellbeing Strategy](#)³ and the [Neighbourhood Health Framework](#)⁴ for tackling health inequalities and preventing ill health, as well as contributing to the [Marmot Place programme](#)⁵ by supporting the principal of best start in life.
- c) Prevention and early intervention for substance related harms amongst young people, along with support for families, are key goals of the [national drug strategy](#).

¹ [NDTMS - Viewit - Young People](#)

² Oxfordshire County Council Strategic Plan, 2025-2028, <https://www.oxfordshire.gov.uk/council/our-vision>

³ Oxfordshire Health and Wellbeing Strategy, 2024-2030:

<https://mycouncil.oxford.gov.uk/documents/s75751/Appendix%20A%20%20Draft%20Oxfordshire%20Health%20and%20Wellbeing%20Strategy.pdf>

⁴ Neighbourhood Health Framework, UK Government, 2026, <https://www.gov.uk/government/publications/neighbourhood-health-framework/neighbourhood-health-framework>

⁵ Oxfordshire as a Marmot Place, <https://www.oxfordshire.gov.uk/residents/social-and-health-care/public-health-and-wellbeing/oxfordshire-marmot-place>

["From Harm to Hope"](#)⁶. Locally, the service is key to the [ambitions of the Oxfordshire Combatting Drugs Partnership](#)⁷, addressing a key action plan priority of early intervention for CYP through treatment and support pathways.

- d) The provision of this service delivers outcomes for key indicators as set by the Office for Health Improvement and Disparities (OHID), including the number of CYP in structured treatment for their substance use.

5. Financial Implications

- a) Under the Health and Social Care Act 2012, local authorities have the duty to reduce health inequalities and improve the health of their local population by ensuring that there are Public Health services aimed at reducing substance use.
- b) Funding for the Services comes from the Substance Use allocation within the Public Health Grant. The Public Health Grant is a ring-fenced grant, provided to give Local Authorities the funding required to discharge their public health responsibilities and is spent solely on fulfilling their public health obligations. From 2026-27, the Public Health Grant contains specific funding for Substance Use services.
- c) The proposed total contract value for delivery of the CYPSPU service is a maximum of £700,000 per annum, with a whole life cost of circa £4,900,000 at maximum level. This will be a budget increase in the region of £188,000. Funding is allocated from the Substance Use allocation within the Public Health Grant, which is a ring-fenced budget within the public health grant, for substance use provision.

Comments checked by:

Lucy Moore, Interim Finance Business Partner
Lucy.Moore@oxfordshire.gov.uk (Finance)

6. Legal Implications

- a) The Council has a statutory duty to take steps to improve the health of people in its area as set out in s12 of the Health and Social Care Act 2012. The delivery of the proposed services described in this report is designed to fulfil such duty.
- b) The contract will be procured in accordance with the Councils contract procedure rules and the Health Care Services (Provider Selection Regime) Regulations 2023. The contract will include appropriate terms to meet the requirements of this report, including, but not limited to LGR requirements.

Comments checked by:

Donna Creffield, Contracts Lawyer
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⁶ From Harm to Hope, National Drug Strategy, UK Government, 2021, <https://www.gov.uk/government/publications/from-harm-to-hope-a-10-year-drugs-plan-to-cut-crime-and-save-lives>

⁷ Oxfordshire Combatting Drugs Partnership, <https://www.oxfordshire.gov.uk/residents/social-and-health-care/public-health-and-wellbeing/alcohol-and-drugs/drug-and-alcohol-partnerships>

7. Staff Implications

- a) The Public Health - Live Well Improve and Enable Team will continue to performance manage a new contract.

The contract being tendered is likely to be subject to The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) of the staff currently delivering the service. As with all tenders this will be determined prior to tender and addressed in the tender accordingly with parties complying with their relevant obligations under TUPE.

8. Equality & Inclusion Implications

- a) The most deprived areas generally face the highest prevalence of harms associated with drug use. The CYPSTU service uses targeted interventions to support vulnerable groups such as young people to access support for alcohol and drug use, delivering early intervention to prevent escalation of need, reduce demand on health and social care services, and support better long-term outcomes for children and young people and contributing to the reduction of associated health inequalities.
- b) In the recent Drug and Alcohol Health Needs Assessment (HNA) for Oxfordshire in 2025, CYP were identified as a vulnerable group, who are at increased risk of substance use. The HNA recommended enhanced support for CYP with a greater emphasis on whole family support, and to review education and prevention initiatives to deliver effective outcomes, which will be considered within the new contract.
- c) An Equalities Impact Assessment is being assessed by the Equalities Team.

9. Sustainability Implications

- a) The CYPSTU Service aligns with OCC's commitment to ensure that both the climate and the natural environment are at the heart of all decision making. The service specification will consider energy consumption, transport and travel considerations, and promotion of health and wellbeing.
- b) The service specification will also consider Social Value and local community benefit of the service.
- c) A Climate Impact Assessment (CIA) is being assessed by the [Climate Action team](#).

10. Risk Management

Risk	Likelihood	Mitigation
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<p>Procurement risk: Risk of poor market response, or that provider bids provide less resource/scope than expected due to cost constraints.</p>	<p>Medium</p>	<p>Market engagement has been included within procurement timelines, to increase interest.</p> <p>The service specification will include flexibility within the model and use optional additional services to enable additional services to commence later in the contract to allow for cost constraints within the market.</p>
<p>Financial risk: Rising supplier costs due to inflationary pressures and/or Public Health budgetary reductions during the Contract Life</p>	<p>Medium</p>	<p>There will be continued monitoring and timely escalation over the contract period, to support the provider to forecast any significant additional demand and mitigate risk of inflationary pressures.</p> <p>Appropriate and reasonable adjustments will be considered and detailed in the contract, with the inclusion of Contract Price Review mechanisms at regular intervals.</p> <p>The service Contract includes, as a safeguard, a provision entitling the Council to terminate the purchasing terms or reduce the services, on written notice to the Service Providers, if the Council's funding is reduced.</p>
<p>Local Government Reform Impact of Local Government Reform on delivery or funding of service.</p>	<p>Medium</p>	<p>This service plays a vital part in delivery of the 'Harm to Hope' drug strategy and corporate priorities. The service is likely to be prioritised to continue regardless of the outcome of LGR, and the associated commissioning responsibilities will likely transfer to the appropriate bodies.</p> <p>In addition, the new Contract will include, as a safeguard, a provision entitling the Council to terminate or amend the service terms, on written notice to the Service Provider, where the Council's funding is reduced or delivery is impacted. This is unlikely as this funding is ringfenced.</p>
<p>Management risk: Recommissioning the service with a short timeline may impact on market engagement or contract implementation, causing a delay to service/contract start.</p>	<p>Low</p>	<p>Public Health staffing resource has already been allocated to support procurement, which is being prioritised within team resources, and implementation, with a detailed timeline for the recommissioning and transition process.</p>
<p>Reputational risk: Recommissioning the service may compromise existing pathways and partnerships, and service and system issues may continue within the new contract.</p>	<p>Medium</p>	<p>Strong partnership working will be prioritised in the transition process with Public Health support, with continued partnership working under the Oxfordshire Combatting Drugs Partnership.</p> <p>Changes to the specification and service model will be made to address systemic issues, with plans to evaluate the model during the contract term.</p>

Director of Public Health and Communities

Background papers: Nil

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