

Cabinet

Report Title	Drug Strategy Grant: Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG)
Date of Meeting	Wednesday, 4 February 2026
Report Author	Liann Brookes Smith
Lead Officer	Director Public Health
Lead Cabinet Member(s)	Cabinet Member for Adult Services, Health & Well-being
Why is this a key decision?	To be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough.
Wards Affected	(All Wards);
Identify exempt information and exemption category	Part exempt
Is the report urgent?	Yes
Reasons for urgency (only where applicable)	The provisional finances are reported in November of each year and confirmed in the January, we are unable to report earlier, and if left until March Cabinet there would have been a gap in service provision. We need cabinet permission to award.
Appendices (if any)	Appendix 1 – DATRIG Values (Private) Appendix 2 - EIA

1. Executive Summary

- 1.1 This report seeks approval to the proposed approach for distribution of the Drug and Alcohol Treatment and Recovery Improvement Grant for substance misuse treatment and recovery and for Individual Placement and Support (IPS), in accordance with the requirements of Office for Health Improvement and Disparities grant conditions.

2. Recommendations

The Cabinet is recommended to:-

- 2.1 Approve the proposal for distribution of the Drug and Alcohol Treatment and Recovery Improvement Grant for substance misuse treatment and recovery and for Individual Placement and Support (IPS). As required by Office for Health Improvement and Disparities grant conditions;
- 2.2 Approve the years 2026/27, 2027/28 and 2028/29 based on the Indicative amount still subject to Department of Health and Social Care (DHSC) and Treasury approvals, even though the final allocation could vary;
- 2.3 Approve the variation to the current Adult Alcohol and Drug Service Contract to fund additional enhanced provision for the period 2026/27, in line with cost increases, and that delegated authority is given to the Director of Public Health to approve the variation, in consultation with the Cabinet Member for Adult Services, Health and Wellbeing;
- 2.4 Delegate authority to the Director of Public Health to determine the distribution of the Drug and Alcohol Treatment and Recovery Improvement Grant over the grant period covering the financial year 2026/27, 27/28 and 28/209, in agreement with Cabinet Member for Adult Services, Health and Wellbeing;
- 2.5 Delegate authority to the Director of Public Health, in consultation with the Service Director - Governance and Monitoring Officer, to authorise variations to the existing Adult Alcohol and Drug Service contract allowing the additional enhanced provision for the remaining period of the contract term which will end 31 January 2028;
- 2.6 Delegate authority to the Director of Public Health to award and enter into any contract(s), on terms to be agreed by the Director of Public Health, for the provision of services funded by the Drug and Alcohol Treatment and Recovery Improvement Grant funds; and
- 2.7 Delegate authority to the Service Director - Governance and Monitoring Officer to take any actions as may be required to give effect to the proposals in these recommendations for the provision of Drug and Alcohol Treatment and Recovery Improvement Grant funded provisions.

3. Proposals – Reasons for the recommendations

- 3.1 In December 2021, the Government released a new National Drug Strategy 'From Harm to Hope: A ten-year drugs plan to cut crime and save lives' with this Strategy the Government announced additional funding for substance misuse treatment and recovery provision. This funding was called the Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) and was awarded for an initial period of 3 years covering the following financial years: 2022/23, 2023/24 and 2024/25.
- 3.2 For 2025/26, the Government has renamed the Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) to the Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) which consolidates a

number of drug related grants including the SSMTRG and the Inpatient Detoxification Grant (IPD) grants, both of which Sandwell receives.

- 3.3 Previous Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG, now renamed DATRIG) grant allocations covering 2022/23, 2023/24 and 2024/25 were received in line with appropriate corporate approval requirements and spent in line with grant conditions. (Please see previous report covering the previous grant period 2022/23, 2023/24 and 2024/25 and the DATRIG 2025/26).
- 3.4 Sandwell's has received the allocated Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) budget for 2026/27, with further indicative amounts for 2027/28 and 2028/29. These are "Indicative" amounts, thus they are still subject to Department of Health and Social Care (DHSC) and Treasury processes and as such the final allocation may vary.
- 3.5 The DATRIG / Supplemental Substance Misuse Treatment Funding is governed by a nationally defined Menu of Interventions produced by the Office for Health Improvement and Disparities (OHID). Local authorities must attribute every element of spend to one or more intervention categories. The Menu of Interventions is structured to reflect the 10-Year Drug Strategy and system-wide aims to:
 - Increase treatment capacity
 - Reduce drug- and alcohol-related harm
 - Improve recovery outcomes
 - Strengthen the workforce
 - Embed prevention and early intervention
 - Strengthen criminal justice and community safety links
- 3.6 The funding must be spent on interventions that aim to achieve the Drug Strategy ambition to reduce drug and alcohol related deaths and harms and is to be additional to existing Public Health grant expenditure on substance misuse treatment services.
- 3.7 The Strategy therefore requires that local areas rebuild and reinvest into local support systems towards "a world class drug treatment and recovery system" Monies can only be spent on provisions that fit within OHIDs Menu of Interventions
- 3.8 It has been announced that Sandwell will receive three further years of funding for 2026/27, 2027/28 and 2028/29. The funding is to be additional to existing Public Health grant expenditure on substance misuse treatment services. Although published, the final amount from Department of Health and Social Care (DHSC) and Treasury could still vary.
- 1.1. The funding must be spent on interventions that aim to achieve the Drug Strategy ambition to reduce drug and alcohol related deaths and harms. The Strategy therefore requires that local areas rebuild and reinvest into local support systems towards "a world class drug treatment and recovery system" monies can only be spent on provisions that fit within OHIDs nationally defined framework Menu of Interventions, such as increasing treatment capacity and quality, expanding and training the workforce, strengthening

harm-reduction. For 2026/27 onwards this will form part of the Public Health Ring Fence Grant (PHRG) however the process has not yet been fully detailed.

- 1.2. Many of the permissible spend interventions can only be delivered through community-based substance misuse treatment services (currently delivered via our commissioned Adult Drug and Alcohol Treatment Provider).
- 1.3. Permissible spend interventions will be managed and monitored within the Sandwell Public Health commissioning team, with final sign off on the distribution of the funds between Office for Health Improvement & Disparities (OHID) and the Director of Public Health.
- 1.4. We therefore propose to secure approval to use the Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) funding for 2026/27-2028/29 as required by Office for Health Improvement & Disparities (OHID) grant conditions. Also, that the funds for each indicative amount be approved without the need for further Cabinet approvals.
- 1.5. The proposed variation amount, aggregated with previous variation amounts made to the contract with Cranstoun would mean that the light touch OJEU threshold will be exceeded. A VEAT notice to utilise Regulation 72 is therefore required. For further details please see Legal & Governance implications in section 7.

4 Alternative Options Considered

- 4.1 Do not approve distribution of the DATRIG as required by OHID and not utilise the additional funding but simply return the monies to government. This will mean that the local treatment population will not benefit from the quality and capacity improvements that the monies could afford.

5. Consultation

- 5.1 None currently, however two needs assessments with consultation via focus groups are currently underway to understand co-occurring mental health needs in service users and an Equality impact assessment.

6. Financial Implications

- 6.1 The funding will be made available from Government through Section 31 of the Local Government Act 2003 grant provisions, and the Section 151 Officer will need to confirm that spending has been on additional services. The funding is exclusive to enhancing the local substance misuse support offer and can only be spent in line with a specific Menu of Interventions, which is the nationally defined framework that all Drug and Alcohol Treatment Grant (DATRIG) spending must align to.

7. Legal and Governance Implications

- 7.1 The funding will be made available from Government through s.31 of the Local Government Act 2023 grant provisions, and the Section 151 Officer will need to confirm that spending has been on additional services. The funding

is exclusive to enhancing the local substance misuse support offer and can only be spent in line with the nationally defined framework called the Menu of Interventions.

- 7.2 S.31 of the Local Government Act 2023 permits central government to pay a grant to a local authority in England towards expenditure incurred or to be incurred by it. The Council will need to comply with all conditions attached to the grant, particularly in respect of the use of the grant and the circumstances in which the whole or part of the grant must be repaid.
- 7.3 Any onward grant funding or contractual arrangements paid for from the DATRIG grant monies will need to contain provisions to ensure that claw-back obligations on the Council within the DATRIG grant are passed on to recipients of grant monies.
- 7.4 Any variation of the existing contract will be subject to compliance with the Provider Selection Regime and the Council's Contract Procedure Rules.
- 7.5 Whilst the current Adult Drug & Alcohol Treatment service was procured under Public Contracts Regulations 2015, however since the main subject matter of the Contract was Health Care Services, any variations to that Contract must be undertaken in accordance with the Provider Selection Regime (PSR) Regulations 2023. The PSR does allow modifications where the modification is made in response to external factors beyond the control of the relevant authority and the provider, including but not limited to changes in:
 - 7.5.1 patient or service user volume
 - 7.5.2 prices in accordance with a formula provided for in the contract documents (e.g., uplifts in prices published in the NHS Payment Scheme or index linking) which do not render the contract or framework agreement materially different in character.
- 7.6 This variation amount, aggregated with previous variation amounts made to the contract would mean that the light touch OJEU threshold will be exceeded. A VEAT notice has been published, to utilise Regulation 72 (1) (C), which allows for modified without a new procurement procedure where all of the Public Contract Regulations 2015 conditions are fulfilled:—
 - 7.6.1 the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
 - 7.6.2 the modification does not alter the overall nature of the contract.
 - 7.6.3 any increase in price does not exceed 50% of the value of the original contract or framework agreement.
- 7.7 Because of the value, a notice will need to be published outlining the modification.

8. Risks

- 8.1 There are several risks associated with the distribution and delivery of the Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG):

- 8.1.1 The primary risk relates to the fact that all figures may vary. Any reduction in the final allocation could impact the scale of planned service enhancements and may require further reprioritisation within the Public Health commissioning plan. However, this is mitigated as the provider is fully aware of how the national funding operates and would work with us as commissioners should this reduce significantly.
- 8.1.2 There is also a risk that the grant conditions change, or that the Council is unable to demonstrate that all spend is additional to existing Public Health grant expenditure. This could result in clawback by the Office for Health Improvement and Disparities. To mitigate this, all expenditure will be monitored closely through existing Public Health governance processes with sign-off from OHID and the Director of Public Health.
- 8.1.3 Failure to implement enhanced treatment capacity may result in poorer outcomes for residents, including increased drug and alcohol related harm and avoidable pressure on health, care and community safety services. The proposed approach ensures continued investment in evidence-based interventions to manage these risks effectively.
- 8.1.4 A risk assessment exercise has been undertaken in line with the corporate Council risk management strategy and policy and, for the risks identified, suitable controls are in place to mitigate and manage risks to acceptable levels

9. Equality and Diversity Implications (including the public sector equality duty)

- 9.1 The enhanced drug and alcohol treatment offer is expected to have a positive impact on groups with protected characteristics, given the disproportionate burden of substance misuse-related harm experienced by some communities. This includes people with disabilities related to long-term conditions or mental ill health, pregnant women, older adults with alcohol dependency, and individuals from communities with higher prevalence of substance misuse or barriers to accessing support.
- 9.2 No adverse or discriminatory impacts have been identified. However, there is a potential risk that some groups—particularly people with co-occurring mental health needs, individuals experiencing homelessness, and people from minority ethnic communities—may not fully benefit from the enhanced offer if services are not accessible or culturally appropriate. This risk is being actively mitigated through targeted needs assessments, focus groups and stakeholder engagement with service users, as well as ongoing monitoring of uptake and outcomes across protected groups.
- 9.3 The proposals support the Council's duty to eliminate discrimination, advance equality of opportunity and foster good relations by increasing access to evidence-based interventions, improving health outcomes, and reducing inequalities in drug and alcohol related harm. Mitigation actions identified within the Equality Impact Assessment will be incorporated into contract monitoring and programme oversight to ensure improvements are realised across all population groups.

10. Other Relevant Implications

- 10.1 There are no direct workforce implications arising from this decision. The proposals do not impact Council staffing structures.
- 10.2 There are no ICT or digital implications for the Council. Any system or data requirements associated with the enhanced treatment activity will be managed within the provider's existing clinical and reporting systems and will not impact Council infrastructure.
- 10.3 **Procurement implications** There is a risk of challenge from external providers regarding the proposed variation of the existing Adult Drug and Alcohol Treatment contract, particularly in relation to compliance with the Provider Selection Regime and transparency requirements. A challenge could delay implementation of enhanced services and impact delivery of grant-funded interventions. The variation will be undertaken in full accordance with the Contract Procedure Rules and legal advice. A transparency notice will be published as required and all decisions will be supported by clear justification demonstrating that the modification arises from external factors outside the Council's control, including nationally determined grant conditions. Legal Services and Procurement have been closely involved in drafting and reviewing the approach to minimise the risk of successful challenge.
- 10.4 There are no significant climate change implications. The proposals relate to service enhancements within existing delivery models and will not materially impact emissions, resource use or environmental outcomes.
- 10.5 There are no direct corporate parenting implications. However, improved parental substance misuse treatment may indirectly support the stability and wellbeing of children and young people, including those who are looked after or on child protection plans.
- 10.6 The proposals support social value by contributing to improved community safety, supporting individuals into recovery, improving employability and enabling reintegration into education, training or work. Enhanced Individual Placement and Support services will further contribute to this outcome.
- 10.7 The proposals will have a positive impact on health and wellbeing by increasing access to evidence-based treatment, reducing preventable morbidity and mortality, and improving quality of life for residents affected by substance misuse.
- 10.8 The proposals contribute to the Council's duties under Section 17 of the Crime and Disorder Act 1998. Increasing engagement in treatment and recovery reduces the likelihood of re-offending, acquisitive crime and anti-social behaviour, and contributes to wider community safety objectives. The enhanced treatment pathway will also support the Prevent duty by improving access to support for vulnerable individuals who may be at increased risk of exploitation.

11. Background Documents

- 11.1 Drug Strategy Grant: Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) – February 2025

12. How does this deliver the objectives of the Strategic Themes?

- 11.1 **Growing Up in Sandwell** - Maximising access and engagement with substance misuse support enables people (including those affected by someone else's use such as children, family members and the wider community) to benefit. Parental substance misuse can have a negative impact on children and young people. Evidence suggests that in Sandwell over 500 adults with an opiate dependency live with children, of these 48% accessed treatment
- 11.2 **Living in Sandwell** - It is estimated that around 45% of acquisitive crime is committed by heroin and/or crack cocaine users in order to fund their dependency. Evidence suggests that in 2016/17 substance misuse treatment helped to prevent 4.4 million crimes. Crime can have a significant impact on communities; people may feel less safe, home insurance can increase, property prices can be affected and businesses may avoid the area. The proposals aim to increase the number of drug dependent people accessing support which is likely to reduce crime.
- 11.3 **Healthy in Sandwell** - Problematic substance misuse can cause ill health and impact on mortality rates. Ensuring engagement and support with drug treatment, will help individuals live longer and enjoy a better quality of life - adding years to life and life to years. Enhanced delivery capacity and treatment options afforded from the DATRIG monies will ensure increased health outcomes as follows:
- Reduced alcohol and drug related deaths
 - Reduced blood borne viruses
 - Reduced comorbidities
 - Reduced demand on emergency services.