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Contract

Adult Drug and Alcohol Treatment Services

Sandwell Metropolitan Borough Council

F20: Modification notice

Notice identifier: 2026/S 000-004955

Procurement identifier (OCID): ocids-h6vhtk-035184

Published 20 January 2026, 3:50pm

Section I: Contracting authority/entity

I.1) Name and addresses

Sandwell Metropolitan Borough Council

Sandwell Council House, Freeth Street

Oldbury

B693DE

Email

publichealth_procurement@sandwell.gov.uk

Country

United Kingdom

Region code

UKG37 - Sandwell

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

www.sandwell.gov.uk

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Adult Drug and Alcohol Treatment Services

Reference number

PH0138-1

II.1.2) Main CPV code

- 85323000 - Community health services

II.1.3) Type of contract

Services

II.2) Description

II.2.2) Additional CPV code(s)

- 85100000 - Health services
- 98300000 - Miscellaneous services

II.2.3) Place of performance

NUTS codes

- UKG37 - Sandwell

II.2.4) Description of the procurement at the time of conclusion of the contract:

A service for Sandwell adults aged 18 and over who are at risk of or are currently experiencing negative impacts as a result of their alcohol and/or drug use.

The service will ensure provision of pharmacological and psychosocial support intervention provision aimed at those with potential or established needs.

The service will ultimately contribute towards reducing drug and alcohol related deaths and harms, as well as reducing unmet need.

Service delivery will sit within the context of the National Drug Strategy.

The National Drug Strategy brings with it ambitions for increased treatment service capacity and quality resourced from associated grant funding (the Supplemental Substance Misuse Treatment & Recovery Grant - SSMTRG).

The SSMTRG grant funding is additional to Local Authority expenditure on services and must be spent according to a specific menu of interventions focused on reducing drug and alcohol related harms and deaths.

The grant funding is subject to annual confirmation covering the financial years 2022/23, 2023/24, and 2024/25.

The service will be expected to incorporate relevant and appropriate use of any additional SSMTRG funds to enhance treatment delivery in line with National Drug Strategy requirements

II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

60

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2023/S 000-005293](#)

Section V. Award of contract/concession

Contract No

PH0138-1

Title

Adult Drug and Alcohol Treatment Services

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision:

1 February 2023

V.2.2) Information about tenders

The contract/concession has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Cranstoun

Surrey

Country

United Kingdom

NUTS code

- UKJ2 - Surrey, East and West Sussex

Companies House

3306337

The contractor/concessionaire is an SME

No

V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)

Total value of the procurement: £16,940,391

Section VI. Complementary information

VI.3) Additional information

This is a Provider Selection Regime (PSR) contract modification notice, under the Health Care Services (Provider Selection Regime) Regulations 2023. For the avoidance of doubt, the provisions of the Public Contracts Regulations 2015 do not apply to this award. This contract has now been formally modified.

The decision to modify this contract was taken by Sandwell Metropolitan Council.

VI.4) Procedures for review

VI.4.1) Review body

The High Court of Justice

London

Country

United Kingdom

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 85323000 - Community health services

VII.1.2) Additional CPV code(s)

- 85100000 - Health services
- 98300000 - Miscellaneous services

VII.1.3) Place of performance

NUTS code

- UKG37 - Sandwell

VII.1.4) Description of the procurement:

This notice covers two contract modifications, the first utilised the first extension period, extending the contract until 31 January 2027, and the inclusion of the DATRIG and IPS Monies. The effective date was 01 April 2025, however the modification was not signed until 08 October 2025.

The second modification utilised the final extension period, extending the contract term to 31 January 2028. This was fully signed on 23 October 2025.

The original contract notice (Notice ID: 2022/S 000-019163) was for an initial term of 3 years with an option to extend for up to a further 2 years. Bidders were required to submit a bid for the full contract period, 3 years with an option to extend for a further 2 years, at the point of submission. The original Award notice (Notice ID: 2023/S 000-005293) awarded the contract for the initial 3 year period. This modification notice utilises the extension period available within the contract extending the contract term to 31 January 2028.

This notice also includes additional modifications to the contract, these being Individual Placement Support (IPS), DATRIG and National Insurance increases Monies. Further information is detailed below.

IPS:

IPS aims to support people in recovery from drugs and/or alcohol into sustained employment. Commitments made in the national drug strategy included ensuring that IPS would be available in all treatment systems in all English local authorities by 2024-25. National IPS specification requirements necessitate full integration of the IPS delivery team within community drug and alcohol treatment services, including access to case management systems. Given that IPS relies on seamless integration between employment support and clinical/treatment services this intervention can only be delivered by the existing drug treatment provider, Cranstoun. Sandwell Council modified the contract with Cranstoun to include the delivery of IPS for the confirmed funding period of 2024/25 (£158,402) and 2025/26 (£166,322). Sandwell's funding allocation was not known at the time adult drug and alcohol treatment services was procured.

DATRIG:

Sandwell Council's contract with Cranstoun to deliver drug and alcohol treatment services commenced on 1 February 2023. At the time of the procurement the Council were aware that additional government monies to support the national drug strategy were confirmed until 31 March 2025. This was included in tender documentation and the associated budget. In January 2025 Government announced an additional one-year funding allocation for 2025/26. The conditions of the funding necessitates spend on a menu of interventions many of which can only be delivered by specialist drug and alcohol services. Cranstoun were awarded £668,981 for the financial year 2025/26 to improve the quality of

existing services through an increased staffing model and capacity, access to new Opiate Substitution Therapy (Buprenorphine), enhanced outreach and harm reduction, more residential rehab placements and the development of stronger pathways between health, social care and criminal justice.

National Insurance Increase:

Cranstoun's contract with Sandwell Council commenced on 1 February 2023. Their tender submission included a fully costed budget based on staff oncosts at the time. On 6 April 2025, Government increased employer national insurance contributions from 13.8% to 15% while the threshold for payment of national insurance decreased from £9100 to £5000 meaning employers were required to start paying national insurance at a lower earnings level. This resulted in additional staffing costs of £45,246 for 2025/26 which were not budgeted for in Cranstoun's tender submission. Savings were not available from elsewhere therefore the only alternative option to increased funding would be to cut a staff post which would be detrimental to the ambitions of both the national drug strategy and the 10-year strategic plan for the drug and alcohol treatment and recovery workforce (2024-2034).

VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

60

VII.1.6) Information on value of the contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession:

£16,940,391

VII.1.7) Name and address of the contractor/concessionaire

Cranstoun

Surrey

Country

United Kingdom

NUTS code

- UKJ2 - Surrey, East and West Sussex

Companies House

3306337

The contractor/concessionaire is an SME

No

VII.2) Information about modifications

VII.2.1) Description of the modifications

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

This modification notice covers two contract variations, the first utilised the first extension period, extending the contract until 31 January 2027, and included the inclusion of the DATRIG and IPS Monies detailed above. The effective date for the first modification was 01 April 2025, however the modification was not signed until 08 October 2025.

The second modification utilised the final extension period, extending the contract term to 31 January 2028. This was fully signed on 23 October 2025.

The below details the modifications made to the contract that this notice covers and the reason for these modifications.

The original contract notice published (Notice identifier: 2022/S 000-019163) for this requirement was for an initial term of 3 year with an option to extend for up to a further 2 years. Bidders were required to submit a bid for the full contract period, 3 years with an option to extend for a further 2 year, at the point of submission. The original Award notice (Notice identifier: 2023/S 000-005293) awarded the contract for the initial 3 year period and this modification notice is utilise the extension period available within the contract.

This modification notice also includes additional modifications to the contract, these being additional money for Individual Placement Support, DATRIG and National Insurance increases. Further information is detailed below.

The Borough Council of Sandwell have utilised the extension period, detailed within the original tender documents and contract notice, which extends the contract term to 31 January 2028.

The Council have also modified the contract to include the below:

Individual Placement Support:

Individual Placement and Support (IPS) aims to support people in recovery from drugs and/or alcohol into sustained employment. Commitments made in the national drug strategy included ensuring that IPS would be available in all treatment systems in all English local authorities by 2024-25. National IPS specification requirements necessitate full integration of the IPS delivery team within community drug and alcohol treatment services, including access to case management systems. Given that IPS relies on seamless integration between employment support and clinical/treatment services this intervention can only be delivered by the existing drug treatment provider, Cranstoun. Sandwell Council modified the contract with Cranstoun to include the delivery of IPS for the confirmed funding period of 2024/25 (£158,402) and 2025/26 (£166,322). Sandwell's funding allocation was not known at the time adult drug and alcohol treatment services was procured.

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VII.2.2) Reasons for modification

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

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VII.2.3) Increase in price

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £1,041,961

Total contract value after the modifications

Value excluding VAT: £17,982,352

