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SUMMARY DECISION SHEET

Purpose: Commissioner Decision – Ref. DLI363

Timing: Singular

Title: Uplift of funding to substance misuse services Dyfed

Category of Decision / Business Area Impact: Commissioning

Executive Summary:

The budget provided to the Tier 2 substance misuse service commissioned by Hywel Dda Area Planning Board (APB) has been stable since 2015. A recent procurement exercise to recommission the service has proved unsuccessful. Further discussions have highlighted fundamental concerns with the funding available for this service, with the provider running the service at a deficit over recent years.

Following the unsuccessful procurement exercise, the APB Executive propose an extension of the existing contract for a period of 23 months, taking the end date to 31st March 2027. During this time a full review of the specification, budget and requirements of the service will be undertaken by the APB team and partners. To facilitate this extension, the APB Executive have considered a proposal for uplifting the existing budget for the 23-month period. The identified uplift required by the provider, based on the existing deficit and increases such as NI equates to 19.8% of the criminal justice budget provided by the PCC and HMPPS.

The proposed budget from DDAS has been reviewed by the Director of Commissioning and the Chief Finance Officer with queries raised back via the APB team. The APB finance and performance leads have met with DDAS senior leads to scrutinise and understand the budget proposals, with additional breakdowns supplied.

Research across our networks tells us that many PCC offices have in recent years provided an uplift award to commissioned services in recognition of cost of living and inflationary pressures. The PCC has recently recommissioned a number of services, with inflationary costs being taken into account within revised budget calculations. The below proposals are therefore consistent with the treatment of other services. It is also important to note that prevention and offender intervention services were not eligible for the additional funding available from the Ministry Of Justice in the same way as victim services, where providers have been able to supplement the increased running costs since the Covid pandemic.

A maximum 15% increase on the investment from criminal justice services is proposed. This equates to £66,882 for the 11-month period of 2025/26 (the current contract ends on 30th April 2025) and a further £16,018 for 2026/27. This would be split equally between PCC and HMPPS, resulting in an increase of £33,441 for PCC budgets in 2025/26 and a further £8,009 in 2026/27. This would bring the total investment from the PCC to £256,890. It is proposed that Dyfed Drug and Alcohol Service invoice on actual costs incurred and that the budget is kept under review so that both parties are able to respond flexibly to any emerging issues or risks during the remainder of the contract.

Recommendation:

That the PCC approve a maximum 15% uplift for the Dyfed substance misuse Tier 2 contract, equating to an uplift in 2025/26 of £33,441 and a further £8,009 in 2026/27. That the service be invoiced on actual costs, with budget kept under quarterly review.

Police and Crime Commissioner for Dyfed-Powys

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Nolan Principles for Conduct in Public Life.

The above recommendation has my approval.

Signature:



Date: 20/03/2025