

Cabinet

18 November 2025

Gateway 3 Contract Award: Medway Therapeutic Alliance

Portfolio Holder: Councillor Adam Price, Portfolio Holder for Children's Services

Report from: Dr. David Whiting, Director of Public Health

Author: Hannah Christie, Partnership Commissioning Programme Lead for Children and Young People Mental Health and Emotional Wellbeing

Procurement Overview:

Total Contract Value: £1,265,187.86 for first year
£1,257,692.39 per annum for years 2-5

£6,295,957.42 for initial 60 months
£12,584,419.37 for 120 months (includes first 60-month extension)
£16,357,496.54 for 156 months (includes additional 36- month extension)

Project Budget: £17,184,297

FTS reference number: N/A

Contract Term: 156 months (for 5+5+3 years)
192 months (if the additional 3-year extension utilised at end of 156 months)

Contract Start Date: 01/04/2026

Initial Contract End Date: 31/03/2031

Extension End Date: 31/03/2039

Summary

This report seeks permission to award the procurement of the Medway Therapeutic Alliance Contract.

1. Recommendation

1.1 It is recommended that the Cabinet agrees to award the contract to North Kent Mind as they have been evaluated as the most economically advantageous against the Council's award criteria as per the evaluation spreadsheet contained within 3.1 of the Exempt Appendix 1 to the report.

2. Suggested reasons for decision

2.1 North Kent Mind scored the highest in all areas of the evaluation, as shown below compared to the other competing providers.

- Case Studies: Highest score of 4.
- Presentation: Highest score of 4.
- Social Value: 5.00%.
- Price: 25%.
- Quality Score: 67.50%.
- Overall Score: 97.50%.

2.2 North Kent Mind overall provided a robust response to all the questions, which demonstrated they have an excellent understanding of the service specification and expected outcomes for children and young people in Medway. Evaluators all agreed that their bid was well written, with clear and concise answers that evidenced additional value and innovation over the length of the contract. Out of the fifteen questions, they scored a 4 (the highest score) for thirteen of these which means their responses were 'superior' as per the guidance and a score of 3 for two of the questions which indicates their responses were 'comprehensive'.

2.3 North Kent Mind's presentation was excellently produced and delivered, with their approach to the Medway Therapeutic Alliance innovative and person centred. Their attention to detail particularly in relation to their priority pathways for Children in Care, Care Leavers and Children and Young People within the Youth Justice Service were comprehensive and seamless.

2.4 North Kent Mind will be sub-contracting to six different providers, four of which are local which will promote the skills and employment particularly in the Medway Voluntary, Community and Social Enterprise sector. In addition, North Kent Mind will be recruiting a Lived Experience Lead to enhance volunteer pathways, develop the skills of those with Lived Experience as well as increase employment.

2.5 Alongside Partnership Commissioners evaluators also consisted of Medway Children and Young People, Medway Parent Carer Forum, NHS Kent and Medway Integrated Care Board's SEND and Looked After Children's leads as well as Medway Council's Head of Corporate Parenting and Youth Justice. These additional evaluators concluded

North Kent Mind's bid was comprehensive and would meet the existing and emerging needs of Children and Young People in Medway.

2.6 North Kent Mind propose the contract will have an underspend of £56,681.14 for the first year with an underspend of £64,239.61 for each of the subsequent years.

3. Background Information

3.1 Budget & Policy Framework

3.1.1 This report and procurement falls within the Council's strategic priorities including "healthy active communities", "all children achieving their best in school" and aligns with "children and young people in Medway will develop well".

3.1.2 The procurement of the 'Medway Therapeutic Alliance' will also work within the following frameworks and strategies:

- SEND Strategy.
- Parenting Strategy.
- I-THRIVE Framework.
- Trauma Informed Practice and Adverse Childhood Experiences.
- NHS Kent and Medway's Children and Young People's ICS Strategy.
- Core 20 Plus 5.
- NHS Long Term Plan.
- Kent and Medway Local Transformation Plan.
- Medway Council Plan.
- Joint Local Health and Wellbeing Strategy.

3.1.3 The budget for the Therapeutic Alliance will be pooled from Medway Council's existing investment into specialist mental health services and NHS Kent and Medway Integrated Care Board's, Mental health Standards Investment funding aligned to the NHS Long-Term Plan. The Medway Council contribution is £426,000 per annum and £895,869 per annum is from the NHS Kent and Medway Integrated Care Board.

3.1.4 In relation to inflationary uplifts NHS Kent and Medway Integrated Care Board have stated: *All monetary values should be stated at 2024/25 prices as inflation will be agreed and applied annually by variation to contract if necessary.* This will be built into the contract, and any applicable inflationary uplift has to be approved by the NHS Kent and Medway Integrated Care Board in agreement with Medway Council. This can be agreed through the Joint Commissioning Management Group (JCMG).

3.1.5 Funding has been approved by Medway Council and NHS Kent and Medway Integrated Care Board for a total of thirteen years, which is stipulated as five plus five plus three. Medway Council have included a remaining three-year extension into the contract, but this is only for extenuating circumstances and would need to be approved by NHS

Kent and Medway Integrated Care Board in terms of funding. Medway Council do not plan to utilise this additional three-year extension

3.2 Background Information and Procurement Deliverables

3.2.1 The NHS Long Term Plan recognises the need to ensure appropriate mental health and emotional wellbeing services are available for children, young people and young adults and commits to implementing a new approach. Locally, this has been achieved by the implementation of the Kent and Medway Local Transformation Plan (LTP). This procurement supports priorities such as:

Increase in community-based mental health services to meet the needs of more children and young people, with 30,321 children and young people accessing support across Kent and Medway.

3.2.2 To further enhance the priorities of the NHS Long Term Plan and Kent and Medway Local Transformation Plan, the NHS Kent and Medway Integrated Care Board were planning procurement for a new Kent and Medway wide Therapeutic Alliance to increase early intervention in children and young people's mental health and emotional wellbeing. The NHS Kent and Medway Integrated Care Board were initially leading on the procurement and commissioning arrangements (with Medway Council support). Medway Council Partnership Commissioning then proposed that a Medway Therapeutic Alliance would be more appropriate to meet the needs of children and young people in Medway, this decision was supported by the Children and Young People Overview and Scrutiny Committee and the Joint Commissioning Management Group.

3.2.3 The 'Medway Therapeutic Alliance' will provide support to children and young people in Medway aged 5-18 years (inclusive of their 19th Birthday) and up to the age of 25 years for those who are care leavers or those already in the service with special educational needs who require on-going therapeutic support.

3.2.4 The service will provide children and young people with short interventions through evidence-based interventions for mild to moderate mental health and emotional wellbeing needs. This will be delivered through 1-1 and group interventions, workshops, peer and parenting support and a whole school approach, with some elements being provided to parents, carers, schools and Medway professionals.

3.2.5 The provider will be expected to carry out consultation and triage through a 'Referral and Advice Point' and for cases accepted into the 'Medway Therapeutic Alliance' assessment and treatment will be offered. The interventions provided will be provided through a hybrid model of virtual and face to face, with the provider expected to be able to offer face to face within Medway.

3.2.6 North Kent Mind will be expected to provide the service in line with the service specification, agreed key performance indicators and outcome measures. The performance of the service will be monitored through

robust quarterly contract management meetings as well as built in service review periods.

3.2.7 The notable difference between the current offer of service provision for children and young people across Medway and the Medway Therapeutic Alliance is that the Therapeutic Alliance will streamline services, support and resources. By the introduction of a lead provider, this will enable residents to access the right services at the right time. Navigation and signposting will be improved, with an aim to reduce waiting times where appropriate and improve the support whilst waiting.

3.2 Parent Company Guarantee/Performance Bond Required

3.3.1 As per the Gateway 1 report the Parent Company Guarantee was waived. This was following the Lead Officer requesting that the Parent Company Bond to be waived, as it had the potential to prohibit small to medium providers to bid for the contract (and small to medium sized providers are the majority of the market). In addition, the funding is to be paid quarterly, preventing loss of finance as paid in arrears and should there be service failure then the service would be re-procured.

4. Procurement Process

4.1.1 Procurement Process Undertaken

4.1.2 A competitive procurement process took place. This consisted of two market engagement events in February and March 2025, which were held virtually and in person. This also enabled providers to have the opportunity to meet with commissioners for a 1-1 session.

4.1.3 In addition to this a frequently asked questions document was created based on the questions providers had asked at the market engagement events and in their 1-1 session with commissioners. This document was also published as part of the tender process on the Kent Business Portal.

4.1.4 Following completion of the service specification which was shared with key partners for feedback and comments, all other Invitation to Tender documents were completed and submitted on the Kent Business Portal on 9 June 2025.

4.1.5 Providers who had attended the market engagement events were notified by the commissioner as well as through the Kent Business Portal, that the tender had been published.

4.1.6 Presentations were part of the procurement process with 4 providers presenting to commissioners on 15 September 2025. The presentations complimented the evaluation questions that were set out by commissioners, children and young people and Medway Parent Carer Forum.

4.1.7 Following presentations evaluators met together to moderate the bids alongside category management colleagues and supported by the Chair of the Medway Youth Council, Medway Parent Carer Forum as well the Head of Service for the Children in Care Team, Care Leavers Team and the Youth Justice Service.

4.1.8 All bids were moderated combining the evaluation questions and presentations, scored accordingly with North Kent Mind scoring the highest to be awarded the contract.

4.2 Evaluation Criteria Used

Key Criteria	Weighting (%)	Purpose
Social Value	5%	<p>No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter</p> <p>Percentage of local employees (FTE) on contract</p> <p>Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children</p> <p>Innovative measures to promote local skills and employment to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.</p>
Improving access, reducing health inequalities, and facilitating choice	30%	<p>The service will need to ensure it is fully accessible to all children and young people with low to moderate mental health and emotional wellbeing needs. The service will need to be innovative to ensure challenges to accessing services are prevented and reduced. This will include engagement and consultation, to ensure the needs and wishes of children and young people are met. In addition, the service will ensure that its offer is delivered through multiple methods to reduce barriers and health inequalities (such as face to face, online, group, 1-1,</p>

Key Criteria	Weighting (%)	Purpose
		workshops) providing choice where possible.
Integration, collaboration, and service sustainability	25%	The service is part of a wider mental health and emotional wellbeing system across Kent and Medway as well as specifically in Medway. The service plays a pivotal role in ensuring children and young people are supported through the 'Getting Advice' and 'Getting Help' needs led categories of i-THRIVE. They are responsible for ensuring children and young people access appropriate services in a timely manner and will need to work collaboratively with universal and specialist services to achieve this, as well as ensuring transitions are carefully considered and implemented. The service will be part of strategic leadership decision making as the core provider of mild to moderate emotional wellbeing support in Medway.
Quality and innovation	15%	<p>This service has been designed for children and young people in Medway, with engagement from children, young people and their families. Their views and needs have shaped the new model and approach and service specification. The service will be providing interventions and support that will focus on children and young people outcomes, whereby the service will need to evidence the impact it has had, ensuring good quality of care and treatment is being delivered.</p> <p>The service will need to demonstrate innovation as this contract is for 13 years (including extensions) therefore, there will be emerging and differing mental health and emotional wellbeing needs over this timeframe. In addition, there will be potential changes to legislation and frameworks that underpin this procurement that will need to be considered through innovation to ensure delivery is safe, effective and up to date.</p>
Value	25%	The provider will deliver services that are cost effective and will provide excellent value for money. If there is any

Key Criteria	Weighting (%)	Purpose
		underspend, this will be re-utilised within the service to ensure the needs of children and young people are met (as this is not a cost saving service). Innovation to be used where efficiencies need to be made, to reduce additional cost and maximise the impact of the service on its users ensuring their needs are met holistically. The service sits within the wider children and young people's mental health system that aims to work in partnership to reduce health inequalities and ensure children and young people meet their full potential.

4.3 Contract Management

4.3.1 Contract management will be the responsibility of the Programme Lead for Children and Young People's Mental Health and Emotional Wellbeing.

4.3.2 It is proposed that the below table is used for the purpose of further reporting.

Contract Start Date	Initial Contract End Date	Extension Period in months	Reprocure Period in months	Project Extension Review (GW4) Date	End of project review (GW4) Date
1 April 2026	31 March 2031	60 months	24 months	1 April 2029 (This will be at our 3-year built in review)	1 April 2037

For the above table, it is assumed that the:

- Extension period must be greater than the reprocure period.
- Project Extension date (if applicable) gives officers sufficient time to reprocure the service should the extension not be granted.
- End of Project date mandates officers present a contract management report to board prior to starting a new procurement process.

5. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Financial risk re: Medway Council Contribution towards the Therapeutic Alliance	There is a risk that the Medway Therapeutic Alliance would not be able to continue if Medway Council were not committed to joint funding with the K&M ICB.	Medway Council has committed to the allocation of the funding for at least the first 5 years of the Medway Therapeutic Alliance contract to enable services and support to be provided locally within Medway.	C-II Unlikely, but major impact
Financial risk re: K&M ICB providing Medway Council with the allocated funds for the Medway Therapeutic Alliance	There is a risk that the Medway Therapeutic Alliance would not be able to continue if K&M ICB did not continue to provide Medway Council with Medway's allocated proportion of the MHIS funding (from NHSE)	<p>K&M ICB have committed to funding both the Kent and Medway specific Therapeutic Alliances, for at least 10 years (with option to extend for another 3 years), as the MHIS funding from NHSE is ringfenced for CYP Mental Health and Emotional Wellbeing.</p> <p>K&M ICB have to ensure all CYP (including Medway's) are provided with appropriate mental health and emotional wellbeing services and support.</p> <p>The agreement will be written into a S75 agreement to secure this commitment</p>	C-II Unlikely, but major impact
Mobilisation	There is a risk associated that the service offer will not be mobilised by start date	Programme Lead for CYP Mental Health and Emotional Wellbeing, to ensure that time frames are met, utilising project	C- III Unlikely and moderate

Risk	Description	Action to avoid or mitigate risk	Risk rating
	(currently 1 st April 2026)	<p>plan and skills within the team.</p> <p>The service specification is 90% completed, consultation has taken place across Medway over the last 18 months, and there has been clinical input from external colleagues.</p> <p>Partnership commissioning also have experience of mobilising services within a 3–6-month time frame.</p>	
Workforce	<p>There is a risk with the Therapeutic Alliance model, that not all the workforce will be in place for the mobilisation date. This is partly due to the size of the contract, services that may need to be sub-contracted, as well as national workforce challenges.</p>	<p>Providers who wish to bid for the contract will need to establish hosts, with a minimum workforce to commence. In addition, they will need to provide a robust mobilisation plan that demonstrates their plan to recruit (where appropriate) as well as their interim plan for providing the service. Lastly, there will be a mobilisation period, which will give the provider time to recruit before the service commences which will also encompass the TUPE of staff from several existing services</p>	<p>B- III</p> <p>Likely and moderate</p>

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

6. Service Implications

6.1 Financial Implications

6.1.1 The procurement requirement and its associated delivery as per the recommendations will be funded from Medway Council's existing revenue at a total of £426,000. Please note that the additional £895,869 will be funded by the NHS Kent and Medway Integrated Care Board, through the Mental Health Investment Standards funding (which is direct from NHS England). Funding has been approved by the NHS Kent and Medway Integrated Care Board through their Executive Management Team (EMT) and Finance Department. In addition, the funding arrangements have been approved by Medway Council's Oversight and Scrutiny Committee as well as through the Joint Commissioning Management Group (JCMG). A section 75 agreement is being drafted between Medway Council and NHS Kent and Medway Integrated Care Board as per EMT and JCMG recommendations and approval.

6.2 Legal Implications

6.2.1 This procurement activity was above the FTS threshold and therefore an FTS notice was required.

6.2.2 The procedure gives a high degree of confidence that the Council's primary objectives for procurement are met, as required by Rule 2.2 of the Council's Contract Procedure Rules ("the CPRs").

6.2.3 Under the Council's Contract Procedure Rules, the procurement is a Process 3 procurement (Rule 18), and the process set out in this report meets the requirements for such procurements. The procurement was advertised on the Kent Business Portal, in compliance with rule 18.4 of the CPRs.

6.2.4 Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.

6.2.5 The process described in this report complies with the Public Contracts Regulations 2015 and Medway Council's Contract Procedure Rules.

6.2.6 This report has been presented as a Process 3 High risk procurement, and therefore the Monitoring Officer, in consultation with the Procurement Board will therefore set the risk and reporting stages for the remainder of the procurement process for Gateway 4.

6.3 TUPE Implications

6.3.1 Seventeen (17) staff members have been identified for TUPE.

6.3.2 Tupe is not an MC matter to consider, responsibility rests with the successful contractor and is a matter for them, we would not therefore comment further.

6.4 Procurement Implications

6.4.1 The contract proposal does not contain any agreement for inflation cost increases. Considering the contract is initially 5 years with an extension of 5 years, plus 3 years this presents an element of risk either to the continuation of the service or the service being able to deliver to the required standard for the full period.

6.4.2 Section 75 agreement needs to be agreed and finalised before award.

6.5 ICT Implications

6.5.1 There are no implications to ICT as a result of this procurement.

7. Social, Economic & Environmental Considerations

7.1. Social value considerations given to the tender will be:

- Social: Healthier, Safer and more Resilient Communities.
- Promote Local Skills and Employment .
- Growth- supporting growth of responsible regional business.
- Environment- decarbonising and safeguarding our world.
- Innovation- promoting social innovation.

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Appendices

Exempt Appendix 1 – Financial analysis

Appendix 2 – Diversity Impact Assessment

Background Papers

[NHS Long Term Plan \(NHSE Paper\) – January 2019](#)

[Kent and Medway Local Transformation Plan – July 2022](#)

[Gateway 1 Cabinet Report](#)