

Agenda Item	5
Report No	HCW/15/26

The Highland Council

Committee: Health Social Care & Wellbeing

Date: August 2026

Report Title: Strategic Commissioning Annual Report and Update in Relation to Domestic Abuse-Refuge Services

Report By: Assistant Chief Executive - People

1. Purpose/Executive Summary

- 1.1 The purpose of this report is to provide the Strategic Commissioning Group's (SCG) update on the commissioning and contractual activity undertaken across Children's and Justice Services over the two years that it came into being. It outlines the progress made in embedding robust commissioning practices, strengthening governance, and aligning procurement activity with service priorities and financial targets.
- 1.2 The report also details the breadth of commissioning and contractual work carried out over the past 24 months, highlighting key developments, challenges addressed, and the strategic direction being taken to ensure services are effective, sustainable, and deliver best value.
- 1.3 This report follows on from a Contract Update report which was presented to the HSCW Committee on 13th November 2024.

2. Recommendations

- 2.1 Members are asked to:
 - i. **Note** and comment on the annual report by the Strategic Commissioning Group;
 - ii. **Agree** the continued development of commissioning strategies for legacy contracts, with a focus on achieving best value and service alignment;
 - iii. **Note** the Highland Commissioning and Contracts Team's transition to a stand-alone independent structure within the People Cluster and **agree** to endorse the continuation of the "aligned" arrangement with the shared service for knowledge exchange and good practice.

3. Implications

- 3.1 **Resource** – As agreed in the Council's 2024/2025 budget, commissioning activity has delivered substantial efficiencies generating significant savings (£500,000 combined across financial years 2024–2025 and 2025-2026), whilst highlighting the

potential for further efficiencies. However, continued investment in commissioning capacity and market engagement tools (e.g. PINs, monitoring frameworks) will be essential to sustain progress.

- 3.2 **Legal** - The development of a Highland model contract and adherence to the Council's Contract Standing Orders (CSOs) strengthens legal compliance and reduces risk exposure. Ongoing legal oversight will be required for new and complex commissioning arrangements.
- 3.3 **Risk** - Risks associated with out-of-date contracts and insufficient governance highlighted in the Internal Audit undertaken in 2023, have been mitigated through the establishment of the SCG and the implementation of provider reviews. Future risks may arise from market instability or limited supplier interest, particularly in rural areas.
- 3.4 **Health and Safety** (risks arising from changes to plant, equipment, process, or people) – None
- 3.5 **Gaelic** - None

4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

5. Background

- 5.1 The establishment of the Children's and Justice Services Commissioning and Contracts Team in April 2024, followed a period of significant organisational change arising from the transfer of responsibility for a range of commissioned services from NHS Highland back to The Highland Council. Whilst operational responsibility for these services had returned to the Council, many of the associated contractual arrangements had remained largely unchanged for a considerable number of years and had not been subject to systematic commissioning review.
- 5.2 The need to strengthen commissioning and contract management arrangements was reinforced through Internal Audit activity, including an audit of commissioned Children's Services undertaken during 2023. The audit identified opportunities to improve governance, oversight and procurement practice across commissioned services and highlighted that a number of legacy contracts inherited through previous arrangements had been repeatedly extended without a comprehensive review of service need, market capacity, value for money or commissioning approach. The findings demonstrated the need for a more structured and strategic approach to commissioning and contract management.

- 5.3 In response, and because these functions fell outside the remit of Shared Commercial and Procurement Service, a dedicated in-house Commissioning and Contracts Team was established, with responsibility for reviewing legacy contractual arrangements, developing commissioning strategies and ensuring future procurement activity complied with legislative requirements, the Council's Contract Standing Orders and recognised commissioning good practice. The team's remit also includes ensuring that commissioned services remain aligned to current service priorities, population needs and available resources.
- 5.4 It was recognised from the outset that the Council was rebuilding commissioning capacity following the transfer of services from NHS Highland and that specialist support would be required during the team's initial development phase. An arrangement was therefore established with the Shared Commercial and Procurement Social Work Team, enabling the Highland team to access experienced commissioning professionals, governance frameworks, procurement expertise and established commissioning tools while local capacity was developed.
- 5.5 Initial review work carried out with the support of Shared Commercial and Procurement Service subject experts identified a number of recurring themes across the inherited contract portfolio. These included contracts that had not been formally reviewed or repurchased for many years, inconsistent contract documentation, limited performance monitoring arrangements and varying approaches to governance and approval. Collectively, these issues created legal, financial and operational risks for the Council and reinforced the need for a prioritised programme of commissioning review - reinforcing the findings of the Internal Audit undertaken in 2023.

6. Addressing the Initial Challenges

- 6.1 The first priority for the newly established team was to respond to the governance and assurance issues identified through audit and review activity. A systematic assessment of commissioned services and contracts was undertaken to establish the age, value, risk profile and commissioning status of each arrangement. This exercise enabled the Council to identify those contracts requiring immediate attention and to develop an evidence-based programme of review activity.
- 6.2 Recognising that many inherited contractual arrangements were based on outdated documentation, the team worked in partnership with Legal Services and the Shared Commercial and Procurement Social Work Team to develop a Highland standard model contract. The introduction of a single contractual framework has improved consistency, strengthened contractual safeguards and ensured that all new arrangements reflect current legislative, governance and operational requirements.
- 6.3 To strengthen oversight and decision-making arrangements, the Strategic Commissioning Group (SCG) was established in July 2024. The group provides a formal governance structure for commissioned Services and is responsible for scrutinising commissioning proposals, reviewing procurement activity, considering market engagement outcomes and authorising commissioning recommendations where appropriate. The SCG has been incorporated within the Council's Contract Standing Orders and approved at full council on the 27th of March 2025 in a paper entitled Contract Standing Orders by the Chief Officer, Corporate Finance.

- 6.4 Alongside governance improvements, the team introduced a structured programme of provider reviews and market engagement activity. These reviews involved operational services and providers working together to assess whether existing service models continued to meet current needs and represented best value. The review process examined service performance, contractual compliance, future demand, strategic fit and potential commissioning options. This evidence informed recommendations to the SCG regarding future commissioning approaches and procurement routes.

Where immediate re-procurement was not feasible, contractual extensions and variations were implemented to maintain essential service continuity whilst reviews were undertaken. Given the volume and complexity of inherited arrangements, it was neither practical nor proportionate to review all contracts simultaneously. A risk-based methodology was therefore adopted, prioritising contracts according to factors such as expenditure, service criticality, compliance risk and strategic importance. This approach enabled the Council to safeguard service delivery while systematically addressing issues identified through audit and governance reviews.

The result has been the development of a more robust commissioning framework characterised by improved governance, stronger contractual controls, market engagement through Prior Information Notices, structured provider reviews, enhanced monitoring arrangements and greater transparency in procurement decision-making. This work has established the foundations for a sustainable long-term commissioning model and has enabled the Council to address legacy contractual risks inherited following the transfer of services from NHS Highland.

7. Contractual Activity

- 7.1 When the Commissioning and Contracts Team was established, responsibility sat with the Council for a diverse portfolio of commissioned Children's, Justice and family support services. Many of these arrangements had evolved over a number of years, with differing contractual terms, monitoring arrangements and commissioning histories. A key objective of the review programme was therefore to establish a comprehensive understanding of the Council's commissioned services portfolio and create a consistent framework for contract management, governance and future commissioning.
- 7.2 Through this exercise, the team developed a comprehensive register of commissioned activity, providing greater visibility of contractual commitments, expenditure, performance expectations and future commissioning requirements. As at 1 July 2026, the Highland team had responsibility for 37 Council commissioned arrangements, representing an anticipated annual expenditure of approximately £8.25 million across Children's Services, Justice Services and Whole Family Wellbeing activity.

The breakdown of the 37 Highland managed contracts is as follows: -

Highland Council Live Commissioned Contract Number as at 1 July 2026	
Contract Type	Number of Contracts
Children's Services	17
Justice	2
Female Domestic Abuse (HDAS)	4
Additional contractual work undertaken for Whole Family and Wellbeing	
Whole Family and Wellbeing (This includes the HDAS provision for non-female domestic abuse services)	14

Total	37
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Highland Council Contacts Anticipated 2026-2027 spend	
Contract Type	
Children's Services	£5,755,946
Justice	£295,619
Female Domestic Abuse (HDAS)	£281,302
Total	£6,332,867
Value of additional contractual work undertaken	
Whole Family and Wellbeing	£1,972,096

8. Commissioning Activity

- 8.1 A principal objective of the Strategic Commissioning Group has been to move the Council from a position of reliance on historic contractual arrangements towards a planned and evidence-based commissioning model. This has involved undertaking market engagement, assessing future service requirements, testing market capacity and ensuring that procurement decisions are informed by service need, best value and legal compliance.
- 8.2 Prior Information Notices (PINs), provider reviews and market engagement exercises have become standard components of the Council's commissioning approach and represent a significant change from previous arrangements. These activities provide valuable intelligence regarding market maturity, provider interest, barriers to participation and opportunities to improve service delivery before formal procurement processes commence.
- 8.3 This intelligence has enabled the Council to make informed decisions regarding commissioning strategies, procurement routes and service design whilst reducing procurement risk and supporting transparency. The use of market engagement has also provided opportunities for providers to contribute to service development and better understand future commissioning intentions.
- 8.4 Procurement activity has not been undertaken for its own sake but as a mechanism for addressing legacy contractual risks, improving transparency and ensuring that commissioned services continue to meet identified needs. The procurement exercises completed or underway during the reporting period demonstrate the Council's commitment to modern commissioning practice and ensuring that public resources are used effectively.

9. Tender Activity

- 9.1 The commissioning reviews undertaken since 2024 identified a number of services where existing contractual arrangements no longer reflected current commissioning practice; had reached the end of their appropriate contractual lifespan; or required reassessment against current service needs and market conditions. In several cases, contracts had been extended repeatedly over a number of years and had not been exposed to competitive market testing or reviewed through a formal commissioning process. This created governance, compliance and best value considerations which required to be addressed.

- 9.2 The Commissioning and Contracts team therefore adopted a structured commissioning approach which combined service review, provider engagement, market testing and, where appropriate, competitive procurement exercises. This approach ensured that where commissioning requests were considered by the Strategic Commissioning Group, the decisions were informed by evidence of need, current market capacity and service priorities, whilst maintaining continuity of provision for vulnerable individuals and families during periods of transition.
- 9.3 Tender exercises have been undertaken where commissioning reviews concluded that procurement represented the most appropriate mechanism for securing future service delivery. The objectives of these exercises have been to:
- Ensure compliance with procurement legislation and the Council's Contract Standing Orders.
 - Test the market and identify the most appropriate providers to deliver services.
 - Ensure commissioned services are aligned to current needs and priorities.
 - Improve transparency and consistency in commissioning decisions.
 - Deliver best value and demonstrate effective stewardship of public funds.
 - Strengthen contractual accountability and performance management arrangements.
- 9.4 With support from the Shared Commercial and Procurement Social Work Team, procurement activity has been conducted through the national PCS-Tender eTendering platform, providing an open, transparent and auditable procurement process. Market engagement undertaken through Prior Information Notices and provider consultation activity has informed procurement strategies and enabled the Council to better understand provider capacity, competition levels and opportunities for service improvement prior to commencing formal tender exercises.
- 9.5 The completion of these tender exercises represents a significant milestone in the Council's wider commissioning improvement programme. Collectively, they demonstrate a move away from reliance on historical contractual arrangements towards a more strategic commissioning model that is evidence-based, transparent and aligned with modern procurement and governance standards.
- 9.6 **Reporting of Tenders Awarded**

The commissioning programme has progressed from review and market engagement activity to the delivery of a number of significant procurement exercises. As at 1 July 2026, four tender exercises have been completed and a further exercise remains ongoing. Together these procurements represent approximately £3.66million of commissioned activity and demonstrate the Council's commitment to ensuring that strategic commissioning decisions are supported by robust governance, market engagement and competitive procurement processes where appropriate.

Children's and Justice tender exercises undertaken 2025 - 2026			
Completed			
Tender	Contract Value	Outcome	Award Date
Children's Disability Short Breaks Framework	£400,000	3 providers accepted onto the framework; Autism and Neurodiversity North Scotland, Carr Gomm, Newcross Healthcare Solutions Limited	October 2025

Intensive Support Service – Children / Young People	£909,316	Right There	June 2026
Female Domestic Abuse Outreach Services – Inverness and South (HDAS South)	£371,600	Inverness Badenoch and Strathspey Citizen’s Advice Bureau	June 2026
Independent Supported Living – Onsite Inverness	£1,082,900	Blue Triangle (Glasgow) Housing Association	July 2026

Ongoing			
Tender	Contract Value	Notes	Est. Award Date
Justice Outreach Framework	£900,000	Tender was issued in July 2026 and is currently live.	Before end of September 2026

10. **Commissioning of Domestic Abuse Services**

- 10.1 The Highland’s Domestic Abuse Service (HDAS) South tender referred to above forms part of a wider domestic abuse commissioning programme. This programme has aimed to replace legacy contracts with the updated model whilst providing greater service stability through multi-year, contractual arrangements. The HDAS has work focused on domestic abuse outreach provision (refuge is to be considered under a separate commissioning review).

Following the issue of a Prior Information Notice (PIN) in February 2025 inviting expressions of interest from potential providers, market engagement identified that, for the North, Mid and West areas of Highland, only one provider within each respective area had expressed an interest in delivering services. On this basis a direct award on a core-funded basis was made to each of these organisations in principle in September 2025 with contracts signed in November 2025.

In the South area, however, it was not possible to reach contractual agreement with the organisation that had expressed an interest in delivering services through a core-funded arrangement. Consequently, more than ten months after the original PIN was issued, a further PIN was published specifically for the South area to test the market and determine whether there had been any change in provider interest or market capacity. The response to the PIN demonstrated sufficient market interest to support the commencement of a competitive tender exercise.

A separate agreement for a service for non-female victim-survivors has been undertaken by Victim Support Scotland under the Whole Family Wellbeing Programme as a test of concept. This is a two-year commitment until March 2028.

10.2 **Commissioning of Highland Domestic Abuse Services – HDAS**

Outreach Commissioning Work undertaken 2025 – 2026 - Female Services					
Area	Provider	Contract Value	Start Date	Award Type	Award Date
North	Caithness and Sutherland Women’s Aid	£390,000	April 2026	Direct Award	November 2025
Mid	Ross-shire Women’s Aid	£390,000	April 2026	Direct Award	November 2025
West	Lochaber Women’s Aid	£390,000	April 2026	Direct Award	November 2025

South	Inverness and Badenoch and Strathspey Citizen's Advice Bureau	£371,600	July 2026	Tender Award	June 2026
Approved through the Whole Family Wellbeing Programme (a separate workstream)					
Non-Female	Victim Support Scotland	£120,000	April 2026	Direct through Whole Family Wellbeing	December 2025

10.3 **Whole Family Wellbeing Programme**

The remit of the SCG also includes providing oversight and assurance in relation to grant requests passed as competent through the Whole Family Wellbeing Programme, which are initially approved by the programme's Change Leadership Group. The SCG's role is therefore to provide additional governance and assurance particularly in relation to the type of contract that the Highland Team will need to issue.

11. **Update on Review of Refuge Services**

11.1 Following on from the update provided to Committee in May, there has been a slight delay to completion of the review. The work undertaken to date has included the following:

- Establishing the current service provision across the Highlands;
- Visits to the refuges operated by Inverness and Ross-Shire Women's Aid. Information has also been gathered from both organisations such as relevant policies and procedures, the support services provided during any stay, staff numbers, operating costs, occupancy numbers and lengths of stay.
- Review of the Care Inspectorate reports for Inverness and Ross-Shire Women's Aid refuge services.
- Surveying both staff working for the Women's Aid organisations and women who have accessed the refuge services.
- Establishing the services provided by the Housing service in those areas without refuge provision.
- Benchmarking with other Councils and consideration of their approach to refuge services.

11.2 Work has commenced on the options appraisal, but this has still to be completed. This will continue at pace with a view to being completed by the end of August.

11.3 The existing refuge contracts have been extended until 31 March 2027 which allows continuity of service.

12 **Update on MARAC Review**

12.1 The UK-wide MARAC model was established as a risk management forum for individuals assessed as being at high risk of serious harm or homicide due to domestic abuse. Its purpose is to enable coordinated safeguarding and risk reduction by professionals meeting to discuss and manage the safety of victims. The core goal is to share vital information and create a co-ordinated, bespoke safety plan for the victim and any children involved.

Attendees at MARAC include MARAC co-ordinator, Police Scotland, Justice Social Work, Children's Social Work, Education, Drug and Alcohol Recovery Services (including Mental Health) Adult Social Work, Housing and the Independent Domestic Abuse Advocate (IDAA). Referrals are circulated to Members prior to the meeting.

- 12.2 The Highlands & Islands is the only MARAC area in Scotland operating seven MARACs, representing the largest and most complex MARAC structure nationally. All other MARAC areas operate between one and four MARACs, with the majority (five areas) running three MARACs.
- 12.3 There has been a year-on-year increase in MARAC referrals. However, the review highlighted a combination of system-wide and contextual factors, rather than a single causal issue. Assumed drivers:
- Increase in domestic crimes
 - Significant increase in Disclosure Scheme for Domestic Abuse Scotland (DSDAS) applications.
 - Improved reporting and identification of domestic abuse, alongside increased professional awareness of risk indicators, has contributed to more consistent escalation of high-risk cases.
 - Evolving application of MARAC thresholds, including greater use of professional judgement, has supported escalation where risk is assessed as significant despite limited visible indicators.
 - Increase in repeat cases and complexity of need.
- 12.4 Actions introduced to address the above challenges include:
- Increased administrative support (and more responsive to need and demand)
 - Streamlining of minutes and referrals
 - Online referrals implemented
 - Police scrutiny of repeat referrals strengthened
 - Chair training and briefings introduced
 - Single point of contacts introduced

Whilst these actions have helped stabilise activity, they have not resolved the underlying pressures.

- 12.5 The Highlands & Islands MARAC system is operating beyond its intended design. However, the challenge does not appear to be solely related to funding. Rather, there appears to be a combination of:
- Demand growth
 - Structural complexity
 - Capacity limitations
 - Model drift

As a result of this, this first part of the review concluded that a whole-system review, within an agreed timescale, is required to ensure that the model is not only fit for purpose but is also appropriately funded. Key to this will be targeted investment; focussed demand management; agreed thresholds; and stronger governance and accountability.

Consequently, phase 2 of this review has been triggered with models being identified for assessment. This part of the review is being chaired by Police Scotland and is expected to conclude in October 2026. The final report will report back into the

Violence Against Women's Partnership before being presented at the Highland Chief Officer's Group (HCOG).

13 Savings Activity 2024-2026

- 13.1 Alongside strengthening governance and commissioning practice, the review of commissioned services has contributed to the Council's wider financial sustainability objectives. Savings identified through contract reviews have been achieved through detailed examination of contractual arrangements, service utilisation, funding streams and service design rather than through indiscriminate reductions in provision. The Commissioning and Contracts Team supported Children's Services in achieving savings of £500,000 across financial years 2024/2025 and 2025/2026 whilst maintaining a focus on service continuity, outcomes and statutory responsibilities.

Examples of Social Work Contracts Savings made			
Provider	Savings	Narrative	Date of Reduction
Homestart East Highland	£124,341	New contact developed within the Whole Family Wellbeing Programme	April 2025
Homestart North Highland	£40,030	New contact developed within the Whole Family Wellbeing Programme	April 2025
Rosshire Women's Aid	£50,000	Budget reduction	October 2024
Inverness Women's Aid	£50,000	Budget reduction	October 2024
Carr Gorm	£30,000	Ceased Provision	April 2025
Victim Support Highland	£6,276	Ceased Provision /Budget reduction	April 2025

14 Monitoring Activity

- 14.1 A recurring theme identified during the review of legacy contracts was the variation in monitoring and performance management arrangements across providers. In some cases, the information available to services was insufficient to provide assurance regarding outcomes, activity levels or compliance with contractual requirements.

As a result, the team prioritised the development of a consistent contract management framework designed to strengthen accountability, improve performance oversight and support future commissioning decisions. This framework establishes a standard set of monitoring requirements that apply across commissioned services whilst allowing for additional service-specific measures to be incorporated where required.

The introduction of standardised monitoring requirements provides improved assurance to services regarding performance, workforce stability, governance, financial sustainability and emerging risks. Over time, this information will create a stronger evidence base for future commissioning reviews and investment decisions

- 14.2 The table below provides an example of the standard questions that are asked of providers:

Indicator	Question	Frequency
Personnel/Staffing	Number of new starts	Annually
	Number of leavers	Annually
	Change in management	Annually
Training	% of mandatory and/or refresher	Annually
Stats	Number of referrals received	Quarterly
	Number of referrals actioned	Quarterly
Complaints	Number of upheld complaints	Annually
Significant Incident	Number of significant incidents that required reporting	Quarterly
Fire Safety Risk Assessment		Annually
Business Continuity Plans	Have you submitted a current plan that covers the full period of the contract	Annually
Insurances	Have you submitted relevant insurances that covers the full period of the contract	Annually
Contract Compliance		Quarterly
Contract Delivery of Services		Monthly

In addition, the monitoring and reporting specifics for each contract, will also be agreed prior to the contract commencement date.

14.3 **A redefined relationship with the shared Social Care Shared Service**

The initial partnership with the Shared Commercial and Procurement Social Work Team was instrumental in accelerating the development of Highland's commissioning function. It provided access to established commissioning expertise, governance frameworks, procurement support and best practice at a time when the Council was rebuilding local commissioning capacity following the transfer of services from NHS Highland.

The progress achieved during the first phase of the programme demonstrated that Highland had successfully established the skills, systems and governance arrangements required to operate independently. Whilst now functioning as a standalone Council service, the Commissioning and Contracts Team continues to maintain an aligned relationship with the Shared Service, allowing the ongoing exchange of good practice, market intelligence and commissioning expertise whilst retaining local ownership of commissioning priorities and decision-making. As part of this aligned approach and to identify any outstanding gaps within the Highland team, the Shared Commercial and Procurement Social Work Team will be undertaking an audit of the Highland team's work and procedures during the second half of 2026.

Future Activity

Significant progress has been made over the past two years in establishing governance arrangements, reviewing inherited contractual commitments and implementing a modern commissioning framework. The transformation programme remains ongoing, and a number of legacy contractual arrangements still require strategic review and assessment.

The next phase of activity will focus on completing the review of remaining historical contracts, embedding monitoring arrangements and ensuring that commissioning decisions are increasingly informed by evidence of outcomes, demand and value for money. Particular emphasis will be placed on reducing reliance on contractual extensions and developing longer-term commissioning strategies that support market stability and service sustainability. The table in **Appendix 1** provides details of current contracts that will shortly be due commissioning reviews:

The Strategic Commissioning Group will continue to provide governance and oversight of this programme, supporting services to identify commissioning opportunities, respond to emerging pressures and ensure commissioned services deliver effective outcomes for children, young people, families and communities across Highland. Continued development of commissioning, contract management and provider engagement arrangements will provide greater assurance to Members that public resources are being used effectively, contractual risks are being actively managed and commissioned services continue to meet the needs of Highland communities.

Designation: Assistant Chief Executive - People

Date: 03 August 2026

Author: Ian Kyle – Chair, SCG
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Appendix 1

Contracts identified as being due for Commissioning Reviews		
Provider	Details of Service	Anticipated Commissioning Review Period
Aberlour	Residential Accommodation Service	2026-27
Aberlour	Unaccompanied Asylum Seeking Children (UASC)	2026-27
Aberlour	UASC - Wellbeing	2026-27
Barnardos	Residential Accommodation Service	2026-27
Barnardos	Throughcare and Aftercare	2026-27 into 2027-28
Highland Homeless Trust (Gateway)	Residential Accommodation Service	2027-28
Highland Hospice	Bereavement Support	2026-27
Inspire Highland	Empowering disabled children and young people through rights, participation, and collaboration.	2027-28
Relationships Scotland	Relationship Counselling	2026-27
Safe, Strong and Free	Child Abuse Prevention	2027-28
Who Cares? Scotland	Independent Advocacy	2027-28