Agenda Item	11
Report No	RES/51/26

The Highland Council

Committee: **Corporate Resources**

Date: **19 November 2026**

Report Title: **Annual Procurement Report 01 April 2025 – 31 March 2026**

Report By: **Chief Officer - Corporate Finance**

1. Purpose/Executive Summary

1.1 Section 18 of the Procurement Reform (Scotland) Act 2014 requires every Scottish local authority to publish an annual procurement report on its regulated procurement activities. Regulated procurements are procurements of goods and services with a value above £50,000 and works contracts with a value above £2,000,000. The Annual Procurement Report 2025-26 has been produced in accordance with Scottish Government guidance and is attached at **Appendix 1**. The report covers regulated procurements completed during the financial year 2025-26 and anticipated future regulated procurements covering the following two financial years, 2026-28.

A regulated procurement is a procurement with an estimated contract value of £50,000 or more for goods and services, or £2 million or more for works, and is subject to the requirements of the Procurement Reform (Scotland) Act 2014. While the statutory reporting requirement relates specifically to regulated procurement, the Annual Procurement Report also provides wider information on procurement and commissioning activity, including relevant low-value/non-regulated procurement, Community Benefit activity and Children's and Justice Services commissioning and contract management activity, to provide Members with a fuller picture of procurement performance and outcomes.

1.2 This report is presented to the Corporate Resources Committee to provide an update on procurement performance for 2025-26. Following consideration by Committee, the Annual Procurement Report will be published on the Highland Council website and the Scottish Government notified of its publication, in accordance with Section 18 of the Procurement Reform (Scotland) Act 2014.

1.3 The report provides assurance and key information for Members on the Council's procurement activity during 2025-26, including compliance, continuous improvement and the wider financial, economic, social and environmental outcomes supported through procurement. During the year, 46 regulated procurements with an estimated total contract value of £428.1 million were awarded. Procurement activity supported delivery of £958,590 of revenue financial efficiencies. Core trade spend with Highland suppliers was £150.5 million, representing 36% of total core trade spend, of which £95.3 million, or 23%, was with local SMEs.

1.4 There was also a significant improvement in reported Community Benefit activity. A total of 2,255 Community Benefits were imposed or delivered during 2025-26, compared with 923 in 2024-25, an increase of 1,332 outcomes, or approximately 144%. Fair Work Practices were included in 83% of regulated contracts, compared with 78% in the previous year, while 73% of contracts included Community Benefit clauses, compared with 65% previously.

2. Recommendations

2.1 Members are asked to:

i. **Note** the content and publication of the Highland Council Annual Procurement Report 2025-2026 (**Appendix 1**).

3. Implications

3.1 **Resource:** There are no specific resources implications associated with the report.

3.2 **Legal:** The production and publication of the Annual Procurement Report ensures that the Council meets its reporting duties under Section 18 of the Procurement Reform (Scotland) Act 2014. The Annual Procurement Report also provides information on compliance with the Council's procurement strategy and the improvement activity undertaken to support continued compliance.

3.3 **Risk:** Annual procurement reporting supports the mitigation of strategic and operational procurement risk through transparency, scrutiny and oversight of procurement activity, compliance and outcomes. Procurement and supply chain risks are also monitored through established governance arrangements, including reporting to the Strategic Procurement Board.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no Health & Safety implications arising from this report.

3.5 **Gaelic:** There are no Gaelic implications arising from this report.

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 for this report.

5. Annual Procurement Report Purpose

5.1 Section 19 of the Procurement Reform (Scotland) Act 2014 requires every Scottish local authority to publish a procurement strategy and Section 18 requires an annual procurement report to demonstrate performance against that strategy, with the Scottish Government subsequently notified of its publication.

The Scottish Government also produces an annual report on procurement activity across Scotland, informed by the procurement reports published by individual public bodies.

5.2 The Council's procurement function is delivered through the Commercial & Procurement Shared Service with Aberdeen City Council and Aberdeenshire Council. The Joint Procurement Strategy 2023-2026 was published in October 2023 and supports the partner Councils to meet their statutory obligations, achieve strategic objectives and contribute to national and local priorities through innovative, compliant and collaborative procurement activity.

The Strategy is structured around six key themes:

Governance
Policy
Food Procurement
Climate Change, Net Zero & Circular Economy
Commercialisation
Community Wealth Building.

6. Annual Procurement Report Highlights

6.1 The Annual Procurement Report provides information on:

- regulated procurement activity completed during the reporting period;
- compliance with the Joint Procurement Strategy;
- financial efficiencies and continuous improvement activity;
- supply chain risk and governance;
- local supplier and SME expenditure;
- supplier development;
- Community Benefits and Fair Work;
- supported businesses; and
- anticipated regulated procurement activity for the following two financial years.

6.2 Procurement activity undertaken during 2025-26 supported delivery of key strategic objectives for the Highland Council and the continued development of procurement and commercial capability. During the reporting period the Council awarded 46 regulated procurements with an estimated total contract value of £428,093,839. This comprised 36 service contracts, five supply/goods contracts and five works contracts. The Council also awarded 146 low-value/non-regulated procurements with an estimated value of £81,118,556.

6.3 The report also highlights continuous improvement undertaken during the year and priorities for 2026-27, including strengthening procurement guidance, templates and approvals; developing Delegated Procurement Authority training; improving

community benefit, Fair Work and sustainability reporting; supplier development; supply chain risk management; and opportunities for commercialisation, collaboration and income generation.

6.4 Following implementation of the Highland Council Community Benefit Policy in September 2024, 2025-26 demonstrates a substantial improvement in the scale and incorporation of Community Benefit activity across procurement, including the activity linked to the Highland Investment Plan delivered through HubNorth.

A total of 2,255 Community Benefits were imposed or delivered during 2025-26, compared with 923 during 2024-25. This represents an increase of 1,332 outcomes, equivalent to approximately 144%. Of the total activity recorded for 2025-26, 1,418 benefits were imposed and 837 were recorded as delivered.

The improvement is also evident in the incorporation of wider social value requirements into regulated contracts:

- 83% of regulated contracts incorporated Fair Work Practices, an increase from 78% in 2024-25;
- 73% incorporated Community Benefit clauses, an increase from 65% in 2024-25; and
- 46 of the 63 regulated contracts considered within the Community Benefit dataset included Community Benefit clauses.

The breadth of benefits secured is also significant. The 1,418 imposed benefits include 417 Developing Workforce outcomes, 255 Work Experience/Placement opportunities, 193 Jobs including Apprenticeships and 160 Education Activities. The 837 benefits recorded as delivered include 418 Community Support outcomes, together with employment, skills, education, environmental and local supply chain outcomes.

This improvement reflects continued work to embed the Community Benefit Policy through procurement processes, staff briefing and training, scrutiny through the Procurement Approval Group and closer working with the Community Regeneration Team. Work has also progressed on the Highland Project Bank, BeSupported has been launched to connect businesses with community groups, schools, nurseries and other organisations seeking support such as volunteering, goods, supplies or services.

Activity has additionally focused on securing benefits for Highland communities from expenditure through national frameworks. A review of the Community Benefit Policy, evaluating its objectives, implementation, delivery and outcomes, is scheduled to be reported to the Communities and Place Committee in January 2027.

While the improvement is significant, the reported delivered figure should continue to be treated as a minimum evidenced position. Delivered Community Benefit information is based on available data across 35 contracts and data capture remains constrained by available resources. Further improvement in consistent contract-level monitoring and recording will therefore remain an area of focus.

6.5 Core trade expenditure during 2025-26 totalled £420.98 million, compared with £469.21 million in 2024-25. Of this, £150.49 million, or 36%, was spent with suppliers located within the Highland Council area, compared with £195.52 million, or 42%, in

the previous year. Spend with local SMEs was £95.34 million, or 23%, compared with £138.31 million, or 29%, in 2024-25. Notwithstanding the reduction in expenditure, the number of local suppliers increased from 1,057 to 1,069.

Although the percentage of local spend reduced from the previous year, the number of local suppliers increased from 1,057 to 1,069. Local supplier spend can be significantly influenced by the nature and timing of expenditure in high-value sectors such as construction, social care and ICT.

The Council therefore continues to support opportunities within wider supply chains where contracts require a scale or specialist capacity that may make direct award to smaller local businesses more difficult. Across Highland Investment Plan projects during 2025-26, an average of 37% of known subcontracting activity was awarded locally, supporting retention of investment within the Highland economy.

6.6 Despite continuing financial and market pressures, procurement and commercial activity supported delivery of £958,590 of revenue financial efficiencies during 2025-26.

Savings were generated through a combination of recurring and one-off activity, including utilities savings, gainshare arrangements, rebates, compensation and procurement activity. This compares with £810,139 reported in 2024-25, representing an increase of £148,451, or approximately 18%.

6.7 During 2025-26, the Commercial & Procurement Shared Service continued work to improve procurement governance, capability, guidance, supplier engagement, risk management and commercial outcomes.

The Shared Service was also recognised nationally, receiving the Amazon Business Procurement Team of the Year award at the UK National GO Awards 2025/26. The Electric Vehicle Infrastructure project was additionally a finalist in the Best Net Zero Initiative and Collaborative Procurement Initiative categories at the GO Awards Scotland 2025/26.

7. Strategic Alignment

7.1 The annual procurement report highlights the procurement activity for financial year 2025-2026 in support of delivery of key strategic objectives for Highland Council.

Designation: Chief Officer - Corporate Finance

Date: 27 October 2026

Author: Melanie Mackenzie, Strategic Commercial Manager, C&PSS

Appendices: Appendix 1 – Highland APR 2025-2026

APPENDIX 1

The Highland Council
Comhairle na Gàidhealtachd

THE HIGHLAND COUNCIL
ANNUAL PROCUREMENT REPORT
01 APRIL 2025 – 31 MARCH 2026



The Highland Council
Comhairle na Gàidhealtachd

Commercial & Procurement Shared Service

Contents

A. Introduction 3

1. Introduction 3

2. Category & Commercial Management Team 5

3. Highland Council Children's and Justice Services Contracts Team 7

4. Property & Assets 9

5. Strategic Procurement Board 9

6. Highland Council Governance 10

B. Section 1 – Summary of Regulated Procurements 12

1. Regulated Procurement Activity 12

2. Low value/Non-regulated Procurements 13

3. External Frameworks (Scotland Excel Membership) 01 April 2025 – 31 March 2026 13

C. Section 2 – Review of Regulated Procurement Compliance 14

1. Deliver Value and Innovation and increased collaboration and standardisation 14

2. Financial efficiencies 14

3. Review of regulated procurement compliance/Continuous Improvement 15

4. Supply Chain Risk 16

5. Continuous Improvement Highlights: 16

6. Supporting the local economy 19

7. Supplier Development 21

D. Section 3 – Community Benefit Summary 22

E. Section 4 – Supported Business Summary 28

Appendix 1 – Regulated Procurements 01 April 2025- 31 March 2026 29

Appendix 2 – Future Regulated Procurements 01 April 2026 – 31 March 2028 34

Appendix 3 – Case Studies 2025-26 35

A. Introduction

1. Introduction

This is The Highland Council's Annual Procurement Report; the report covers the Council's procurement activity from 1 April 2025 to 31 March 2026. It also includes a forward plan of anticipated regulated procurement activity for the following two financial years, from 1 April 2026 to 31 March 2028.

The annual report records and publicises the Council's performance and achievements in delivering its procurement strategy and has been prepared in accordance with Scottish Government guidance.

The Highland Council's Procurement is delivered under a shared service agreement with Aberdeen City Council and Aberdeenshire Council - the Commercial & Procurement Shared Service (C&PSS).

The Joint Procurement Strategy 2023–2026 for the three Councils was published in October 2023. The Strategy is designed to enable the partner Councils to comply with the Procurement Reform (Scotland) Act 2014, support delivery of their strategic objectives, and contribute meaningfully to local and national priorities through innovative, compliant and collaborative market solutions that demonstrate value for money and genuine return on investment.

The Joint Procurement Strategy sets out the Procurement Vision and Mission Statement:





Within the Joint Procurement Strategy six key themes have been identified in line with local and national priorities, each strategy theme will support a key priority and support the enablement and delivery of procurement and commercial activity:

Theme	Strategic Driver
1. Governance	- How procurement will support Council(s) functions and outcomes - Achievement of best value - Equal treatment, transparency - Procurement Priorities
2. Policy	- How the Council(s) will deliver Community Benefits (Social Value) through procurement activity - How the Council(s) will consult and engage with those affected by its procurements - How the Council will incorporate Fair Work Practices into procurement activity - How the Council(s) will Promote compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974 Act 1974 (c.37) and any provision made under that Act, and - Policy on the procurement of fairly and ethically traded goods and services, - Policy on prompt payment (ensuring payment to contractors and sub-contractors within 30 days)
3. Food Procurement	- Set out an approach to procurement of food related contracts which will o improve the health, wellbeing and education of communities in the Council(s) area, and o promote the highest standards of animal welfare
4. Climate Change, Net Zero & Circular Economy	- Policy on incorporation of Climate Change & Circular Economy in procurement activity to support Net Zero targets
5. Commercialisation	- Strategy for Commercial activity which will allow for generation of income to support delivery of the Council(s) functions/outcomes
6. Community Wealth Building	- Set out how procurement activity can support Community Wealth Building, supporting local economic development, and redirecting wealth back into the local economy - placing control and benefits into the hands of local people.

2. Category & Commercial Management Team

The primary role of the Category & Commercial Management Team is to enable the partner councils to achieve their strategic objectives through the effective planning, sourcing and management of externally procured goods, works and services. The team provides strategic commercial support across key areas of spend, helping services to shape requirements, understand market capacity, manage risk and secure best value from procurement activity. This includes supporting improved financial outcomes, identifying opportunities for collaboration and standardisation, and ensuring that procurement decisions contribute to wider Council priorities, including community wealth building, sustainability, climate change, Fair Work and local economic development.

The team works with services supporting high-risk and high-value procurement activity from the early planning stage through to award and contract implementation, providing advice on route to market, procurement strategy, specification development, evaluation methodology, governance requirements and contract and supplier management considerations. This early involvement is important in ensuring that procurement activity is proportionate, compliant, deliverable and aligned to service needs, while also maximising opportunities to deliver wider social, economic and environmental outcomes.

The breadth of activity supported by the team reflects the diverse mix of categories and commodities required to deliver Council services. This includes areas such as construction and infrastructure, roads and transportation, facilities management, fleet, energy, ICT, professional services, environmental services, housing-related requirements and a wide range of operational goods and services. The scale and variety of these categories means the team is required to apply commercial, market and procurement expertise across very different supply markets, risk profiles and service priorities.

A key focus for the team is the use of data and insight to support evidence-based decision making. Spend analysis, supplier information, contract data, pipeline activity and market intelligence are used to identify areas where procurement activity can be better planned, aggregated or aligned across the shared service. This helps to support improved value for money, reduce duplication, improve contract coverage and provide greater visibility of future procurement activity for both internal stakeholders and the supply market.

The team also plays an important assurance role managing the Council(s) Delegated Procurement Authority model and by supporting compliance with procurement legislation, the Council's internal Procurement Regulations, the Scheme of Governance, the Procurement Manual and national best practice guidance. This includes providing advice and challenge to ensure that procurement activity is carried out in a fair, transparent and proportionate way and that key decisions are supported by appropriate documentation and audit trail.

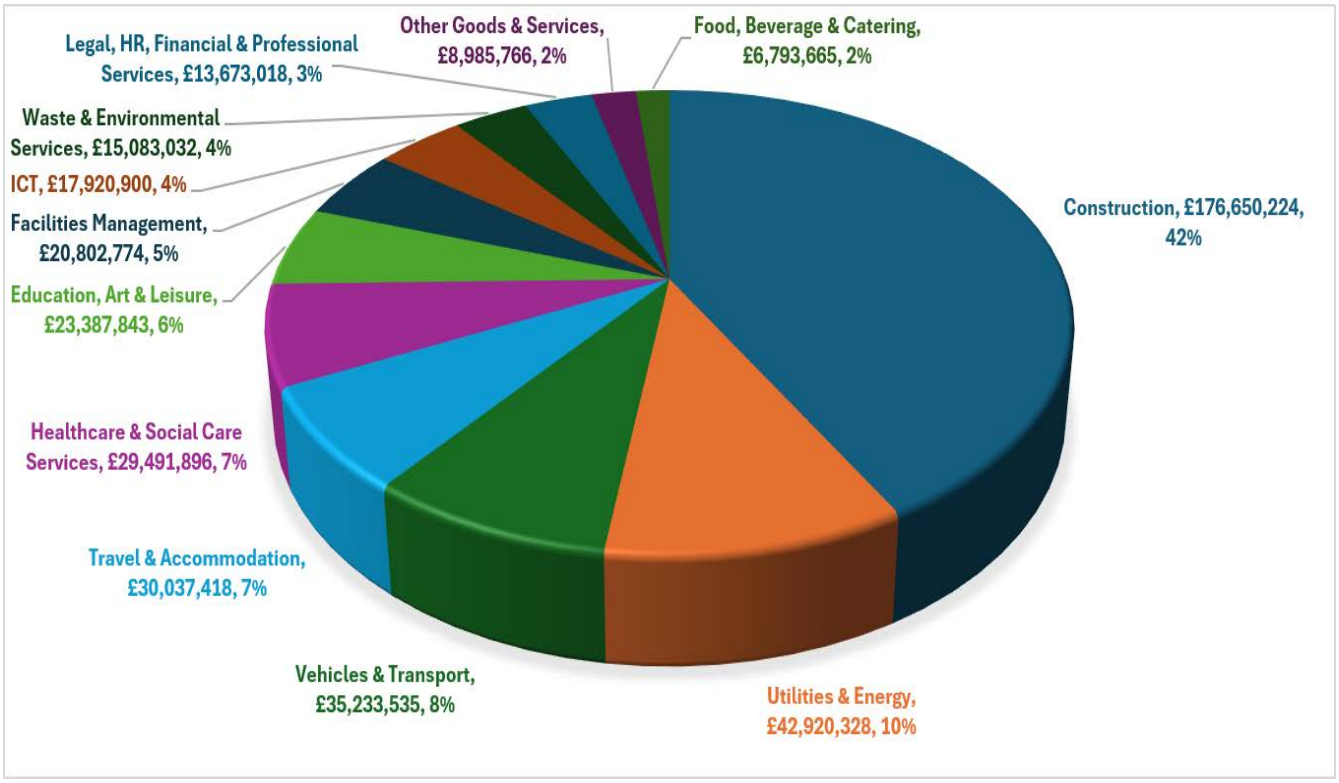
The strategic services provided by the team are:

- **Data management, performance, analytics and insight** – using procurement and spend data to support forward planning, identify savings and efficiency opportunities, monitor supplier and market activity, and provide evidence for performance reporting and strategic decision making.

- **Procurement strategy, legislation, policy and advice** – supporting services to develop compliant and proportionate procurement strategies, interpret procurement requirements, apply internal governance and ensure alignment with the Joint Procurement Strategy and wider Council priorities.
- **Strategic Category Management** – developing and maintaining an overview of key categories of spend, supporting service areas to understand demand, market conditions and supplier performance, and identifying opportunities for collaboration, aggregation, standardisation, savings and improved outcomes.
- **Commercial Management** – identifying and supporting commercial opportunities, including income generation, contract optimisation, supplier relationship management and commercial approaches that support service delivery and wider strategic outcomes.

Through this approach, the Category & Commercial Management Team provides a link between operational service requirements and the wider strategic ambitions of the partner councils. The team supports procurement activity that is not only compliant and value focused, but also capable of delivering measurable benefits for communities, suppliers and the local economy.

The graphic below shows the annual expenditure by Category area for 2025 - 2026.



***A breakdown of the categories included in Other Goods & Services can be found below:**

Category	Spend	Category	Spend
Public Sector Bodies	£1,826,863	Economic Development	£341,964
Charitable & Religious Activity	£1,751,839	Purchasing Services	£212,400
Manufacturing & Machinery	£1,573,246	Community Development	£192,720
Marketing & Media	£1,018,486	Laboratory	£134,196
Business Support Services	£791,397	Clothing	£ 61,576
Retail & Wholesale	£659,107	Personal Care	£ 15,253
Stationery & Office Products	£398,420	Not Classified	£8,300

The data is obtained from Spikes Cavell (Scottish Procurement Hub for publication of annual procurement related spend) and is based on the VCode Classification system, which classifies suppliers by their business activities and is specifically designed to allow public sector organisations a more accurate method of classification of suppliers.

3. Highland Council Children's and Justice Services Contracts Team

Social care procurement is guided by strategic commissioning priorities for services defined under Schedule 3 – Social and Other Specific Services of the Public Contracts (Scotland) Regulations 2015.

Due to the complexity of health and social care services, procurement and contract management for Children's and Justice Services within the Council are delivered by a dedicated Commissioning, Procurement and Contracts Team.

The remit of this team is:

- **Commissioning** – supporting stakeholders to develop and implement strategic commissioning plans.
- **Procurement** – managing tender processes, direct awards, and ensuring compliance with governance requirements.
- **Contract management** – overseeing contract administration, routine performance monitoring, addressing non-compliance, and managing supplier relationships.

Within this scope, focus is placed on ensuring the delivery of innovative, cost-effective, and high-quality strategic procurement services that maximise best value from commercial relationships by identifying and exploiting new opportunities. There is a focus on strong and effective governance that supports the Council's wider strategic, financial, and operational objectives. This includes procuring high-quality services that meet the needs of people across the Highland Council area, ensuring all commissioning activity is carried out in a lawful, fair, and transparent manner.

The team was established during the 2024-25 financial year and operates as a small unit consisting of a Category Manager and a Contracts Manager. Its initial focus was on enhancing procurement oversight, as well as reviewing and updating the commissioning requirements of existing and legacy contracts that had been transferred back to the Council from NHS Highland.

Support provided through the Shared Commercial and Procurement Social Work Team, which the Highland Team joined during 2024-25, has been instrumental in strengthening commissioning, procurement and contract management arrangements. Key achievements during the initial year included:

- The establishment of a governance group to oversee and scrutinise procurement activity;
- The development and implementation of a Highland standard contract, based on the shared service model and finalised with support from Highland Council's Legal Services, enabling new contractual arrangements to be issued on a consistent basis and with standardised terms and conditions; and
- The adoption of shared service procurement, contract management and monitoring templates.

These additions enabled a more robust and standardised approach to procurement and contract oversight, improving performance monitoring, identifying emerging issues, and supporting future commissioning decisions.

A Strategic Commissioning governance group (the Strategic Commissioning Group), was established as an early priority to strengthen links between programme activities, budgets, and the procurement work plan, that aims to ensure that contracts align with a Commissioning Cycle.

The Strategic Commissioning Group (SCG) is a sub-group reporting to the Integrated Children's Services Board as part of the Health, Social Care and Wellbeing Committee. Its core purpose is to ensure effective implementation of the SCG's Procurement Plan, supporting the needs of service users and delivering the key priorities within the plan. This can include providing necessary approvals where contractual and budgetary authority has been delegated and acting as a Procurement Approval Group for the purpose of complying with the Council's Contract Standing Orders. A key benefit of the group's work is that it has provided a more robust approach to evaluating and monitoring existing contracts, as well as providing a clear rationale for expenditure, extensions, and new service provisions.

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.

The Highland Team's relationship with the wider Shared Commercial and Procurement Social Work Team has evolved during 2025-26, reflecting increased local capability and confidence. A revised collaboration model now enables the Highland Team to operate more independently while retaining access to advice, guidance, shared learning and best practice to support continued service development.

Highlights for 2026-26 for the Children's and Justice Services Contracts Team can be found in **Appendix 3 – Case Study 2**.

4. Property & Assets

Property and Assets activity continues to represent a significant area of procurement and contract delivery for the Council, supporting investment in the built environment, operational estate, housing, schools, community facilities, roads and wider infrastructure. The nature of this activity is diverse, ranging from major capital projects and planned improvement works to specialist consultancy appointments, maintenance requirements, and technical support services.

Procurement activity in this area supports the Council in delivering safe, sustainable and fit-for-purpose assets for communities across Highland. It also enables effective project delivery through compliant routes to market, appropriate use of frameworks where suitable, and engagement with suppliers across construction, infrastructure, professional services and specialist technical disciplines.

During 2025–26, the focus has continued to be on ensuring that procurement supports robust governance, value for money, risk management, contract management and delivery of wider outcomes, including sustainability, community benefits, local supply chain opportunities and long-term asset resilience.

Areas of focus include:

- **Scope of activity** – supporting procurement across housing, schools, operational estate, community assets, roads, bridges, harbours, flood protection, waste and recycling infrastructure, and related technical services.
- **Procurement approach** – using appropriate frameworks, mini-competitions, direct tendering, consultant appointments and packaged works to support proportionate and compliant delivery.
- **Governance and assurance** – ensuring clear procurement routes, capital governance alignment, risk management, documentation and audit trail for key decisions.
- **Best value and affordability** – supporting services to manage market pressures, construction inflation, supplier capacity, whole-life cost and programme phasing.
- **Wider outcomes** – embedding sustainability, community benefits, Fair Work, local supply chain opportunities and long-term asset resilience where relevant and proportionate.

Project highlights for Property & Assets can be found in **Appendix 3 – Case Study 3**.

5. Strategic Procurement Board

The Shared Service is overseen by the Strategic Procurement Board, which is comprised of senior leaders from across the three partner Councils. The Board provides strategic direction, visible sponsorship and supportive leadership for the shared service, ensuring that procurement activity remains aligned to the priorities of each Council and to the wider objectives of the Joint Procurement Strategy.

Through regular oversight, constructive challenge and senior-level advocacy, the Board supports the service to deliver continuous improvement, strengthen governance arrangements and enable consistent, collaborative and value-focused procurement practice across the shared arrangement. The Board has responsibility for:

- Oversight of the delivery of the services set out in the Service Level Agreement (SLA) between the partners to the joint arrangement.

- Reviewing the performance of the service using Key Indicators (such as the following) and providing scrutiny and challenge, where appropriate:

    - Local Supplier Spend.
    - Collaborative Spend.
    - Community Benefits.
    - % of spend on and off contract.
    - Savings flowing from the joint arrangements.
    - Oversight of a programme of digitisation of as many procurement processes as possible across the shared arrangement.
    - Providing oversight of the roll out of a procurement capability programme across the shared arrangement.

6. Highland Council Governance

Procurement activity at the Highland Council is overseen by three Boards, each Board provides direction and oversight across the Highland Councils procurement arrangements ensuring that all activity is aligned with the Contract Standing Orders (CSO's).

Each Board will seek to ensure that there has been and will be transparency and accountability in the recommended procurement routes, with objective decision-making and fair, open, and compliant processes.

Procurement Approval Group (PAG)

The purpose of the Procurement Approval Group is to review, scrutinise and approve expenditure where any contract is funded by revenue budget including HRA/Common Good, delegated procurers are required to present a procurement approval form for review and approval (using the template approved within the procurement manual).

Capital Projects - Commissioning Approval Board (CAB)

The CAB will provide strategic oversight of the Council's Capital procurement activity to ensure alignment with the Council's overall direction, priorities, and objectives. A de-minimis procurement level of £2 million is set for this board. The CAB will review the Councils Capital Procurement Pipeline. This will inform future resource planning and investment recommendations.

Strategic Commissioning Group (SCG)

The SCG has been established as a sub-group reporting to the Integrated Children's Services Board as part of the Health, Social Care and Wellbeing Committee. Its core purpose is to ensure effective implementation of the SCG's Procurement Plan, ensuring the needs of service users continue to be supported and to ensure delivery of the key priorities within the SCG's strategic plan . This can include providing necessary approvals where contractual and budgetary authority has been delegated and acting as a Procurement Approval Group for the purpose of complying with the Council's Contract Standing Orders.

B. Section 1 – Summary of Regulated Procurements

Section 18(2)(a) of the Procurement Reform (Scotland) Act 2014 requires organisations to include:

"a summary of the regulated procurements that have been completed during the year covered by the report" Regulated procurements are any procurement for goods and services with a value above £50,000 and works contracts with a value of above £2 million.

A detailed list of the regulated procurements can be found in Appendix 1 – Details of Regulated Procurements which are illustrated in the tables below.

The information contained in the tables below includes the award of mini-competitions or call-offs from established frameworks. The Council use several national framework providers including Scotland Excel and Scottish Government. The Council maintains and publishes a contract register of contracts awarded on its website.

1. Regulated Procurement Activity

Regulated Procurements from 1 April 2025 until 31 March 2026

Regulated Procurements	
Number of regulated procurements awarded	46
Total estimated value of procurement contracts awarded	£428,093,839
Number of regulated service contracts awarded	36
Number of regulated supply/goods contracts awarded	5
Number of regulated works contracts awarded	5

2. Low value/Non-regulated Procurements

The Council promotes the utilisation of Public Contracts Scotland for low value procurements, by facilitating quotes via Quick Quotes for requirements above £10,000 (supply/goods and services) above £50,000 (works), below regulated procurement threshold.

Low value/Non-regulated Procurements from 1 April 2025 until 31 March 2026

Low value/Non-regulated Procurements	
Number of low value/non- regulated procurements awarded	146
Total estimated value of procurement contracts awarded	£81,118,556
Number of low value/non- regulated service contracts awarded	41
Number of low value/non- regulated supply/goods contracts awarded	1
Number of low value/non- regulated works contracts awarded	103

3. External Frameworks (Scotland Excel Membership) 01 April 2025 – 31 March 2026

Management information from Scotland Excel at the end of Q4 2025-26 shows that The Highland Council participated in forty-seven out of sixty-three (76%) of the available framework agreements.

Local suppliers available for use across these frameworks on 31st March 2025 were thirty-two suppliers local to Highland across seventeen framework agreements. Local supplier engagement with these framework agreements can generate inward business to the local economy with economic benefits and provides an opportunity for local employment.

Total spending with these local suppliers in the reporting period under the frameworks was approximately £4M across all Councils, Highland Council spend with local suppliers accounted for 75% of this figure.



34 Suppliers



17 Frameworks



£3 Million Highland Council Spend



Highland Council Spend 75%

C. Section 2 – Review of Regulated Procurement Compliance

Section 17 of the Procurement Reform (Scotland) Act 2014 requires that regulated procurements be carried out in accordance with the organisation's procurement strategy, so far as reasonably practical. Section 18(2) states that an annual procurement report must include, at 18(2)(b), "a review of whether those procurements complied with the authority's procurement strategy" and, at 18(2)(c), "to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply".

In the Governance Theme of the Joint Procurement Strategy the approach agreed by the three partner Councils to the below is outlined:

- How procurement will support Council(s) functions/outcomes
- Achievement of best value
- Equal treatment, transparency
- Procurement Priorities

1. Deliver Value and Innovation and increased collaboration and standardisation

C&PSS enables a greater level of collaboration and standardisation across the three partner councils in the following areas: -

- Identification of consolidation & aggregation of spend opportunities to generate best value
- Identification of product rationalisation and alternatives to generate best value
- Sharing of best practice and processes
- Identification and delivery of commercial opportunities, e.g. - Electric Vehicle Infrastructure. These commercial projects will also deliver significant Community Benefits, Environmental and Economic Outcomes
- Maximising the benefits of digital technology for example p2p processes, electronic tendering, e-auctions and dynamic purchasing systems

2. Financial efficiencies

The financial situation remained challenging in the period 2025 – 2026 as higher inflation continued to impact the costs of supplies and services, fuel, and energy. Despite these challenges the team supported the delivery of financial efficiencies of £958,590 (Revenue) against a corporate procurement savings target figure of £1.77M, the remaining target was carried into 25/26 for delivery.

The table below shows a breakdown:

Corporate Procurement Target – Delivered Savings 25/26		
	Recurring	One-off
Water Gainshare	£27,564	£0
Telematics	£11,280	£0
Fuel Cards	£736	£0
Disposable Gloves	£3,200	£0
TPPL Rebate (Hydrogen)	£0	£10,846
Purchase Card Rebates	£0	£69,704
Truck Cartel Compensation	£0	£310,680
Miscellaneous Rebates	£0	£28,371
Housing Related Redeterminations	£0	£176,000
Utilities Savings	£282,000	£0
Water Gainshare (Full year effect 24/25)	£383	£0
Grounds Maintenance Machinery	£37,826	£0
Total (Combined Recurring & One-Off)	**£958,590**	

Savings identified through contract reviews within Children's and Justice Services have been achieved through detailed examinations 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 2024-25 and 2025-26 (the majority of these savings being reported in the 2024-25 report) whilst maintaining a focus on service continuity, outcomes and statutory responsibilities.

3. Review of regulated procurement compliance/Continuous Improvement

All procurement in the Council is undertaken in accordance with the procedural framework which ensures that each procurement is compliant with procurement legislation and the Joint Procurement Strategy. Procedural requirements are set out in the Scottish Government Procurement Journey (for general procurement best practice) and through our Procurement Manual (used in conjunction with the internal Procurement Regulations/Scheme of Governance).

Processes, procedures and guidance are subject to regular review to ensure that all procurement activity is compliant with internal and external regulations. The Commercial & Procurement Shared Services are continually driving improvement in conjunction with across the Council, through innovative approaches to delivery of projects and provision of comprehensive guidance and training, all members of staff involved in procurement activity across Highland Council are required to be approved to a certain Delegated Procurement Authority (or DPA) level, depending on the

procurement tasks they perform - from low level purchases to full competitive tenders. Please see below for continuous improvement highlights for financial year 2025-26.

4. Supply Chain Risk

Processes are in place to monitor and manage risks to the Supply chain that could influence pricing or supply reliability, horizon scanning is carried out quarterly with any emerging risks reported to the Strategic Procurement Board and Corporate Management team.

The financial robustness of key suppliers is a growing concern. Economic uncertainty, rising operational costs, and shifting market demand are stretching the resources and adaptability of businesses across our supply chain. A Supplier Risk Dashboard is reviewed quarterly by the Strategic Procurement Board to closely monitor suppliers within the Supply Chain alongside a Price Increase Tracker Dashboard. The Council's approach to managing supply chain risk is grounded in the 'three lines of defence' model, designed for robustness and clarity. This model ensures that responsibilities are clearly defined and that checks and balances are in place to prevent risks from escalating unchecked.

Provider risk remains a significant area of focus within social care contract management. The risk of both provider and service failure has increased in recent years, reflecting continued pressures across the adult social care sector, including financial sustainability, workforce capacity, inflationary costs and increasing complexity of need. During 2025/26, continued provider engagement, enhanced monitoring and structured assurance activity supported earlier identification of emerging risks and helped inform risk registers, contingency planning and service continuity arrangements. This approach has strengthened the Council's ability to respond proportionately where provider sustainability or service quality concerns arise, while keeping the safety, wellbeing and continuity of care for vulnerable people central to decision-making. Within Social Care the risk of both provider failure and service failure has increased since the pandemic, engagement with providers supplies market intelligence.

5. Continuous Improvement Highlights:

The Commercial & Procurement Shared Services are continually driving improvement, through innovative approaches to delivery of projects and provision of comprehensive guidance and training, all members of staff involved in procurement activity across the Highland Council are required to be approved to a certain Delegated Procurement Authority (or DPA) level, depending on the procurement tasks they perform - from low level purchases to full competitive tenders.

Please see below for continuous improvement highlights for financial year 2025-26:

- Capability building has remained a priority, during the reporting period, communications and guidance for delegated procurers continued to be developed (updates and revisions to Procurement Guidance with a refreshed manual and templates will be published early in 2026-27), including the use of SharePoint and regular updates to provide information on

procurement requirements, good practice and emerging areas of focus, examples of updates published include:

  - Update on Contract Standing Orders
  - Price Increase Review Process
  - Approval processes for procurement
  - Framework Call Off Procedures
  - Prevention of Procurement Fraud

- The service has also continued to support commercial and strategic opportunities which contribute to wider Council priorities. An example of this is support for the Electric Vehicle Infrastructure project, the next phase of the project and the anticipated outcomes are captured within Case Study 1 at Appendix 3.

- Supplier engagement and supplier development activity also remained a key element of the improvement approach. The Council continued to support supplier development activities, including engagement linked to the Supplier Development Programme and wider activity aimed at improving supplier awareness of public sector opportunities. This supports the Council's wider ambitions around community wealth building, local economic development and improved access to procurement opportunities.

A look ahead to objectives for delivery in financial year 2026-27:

During 2026–27, the Commercial & Procurement Shared Service will continue to progress a programme of improvement activity focused on governance, assurance, capability, commercial value and wider strategic outcomes. Priorities will include:

- further strengthening procurement guidance, templates, checklists and approval processes to support consistency, compliance and auditability;
- embedding assurance reporting arrangements, including the reporting of procurement compliance issues through appropriate governance and risk channels;
- continuing to develop Delegated Procurement Authority training and supporting materials, including refresher communications and targeted learning for delegated procurers;
- continued communication and engagement activity for officers involved in procurement, including webinars, guidance updates and practical support on key areas such as contract management;
- continuing to improve the capture and reporting of community benefits, Fair Work, sustainability and climate-related procurement data;
- supporting supplier development activity, including activity linked to local supply chain engagement and community wealth building;
- reviewing supply chain risk management processes and continuing to use supplier risk information to support proportionate contract and commercial management;
- identifying opportunities for commercialisation, collaboration and income generation where these align with Council priorities and governance requirements; and

- the development of the next joint procurement strategy and associated delivery arrangements, ensuring improvement activity remains aligned to local and national procurement priorities.
- Looking ahead, the communication planner will continue to support the 2026–27 improvement programme, with planned communications on areas such as Artificial Intelligence (AI) in procurement, ethical procurement, financial checks, commercial approaches, use of framework contracts and dynamic purchasing systems, supplier development, contractual terms, pricing models, TUPE, contract management and community benefit, carbon reduction and Fair Work.

Go Awards

The GO Awards are a well-established benchmark for public procurement excellence, recognising the contribution of teams across the UK public sector in delivering effective, innovative and collaborative procurement outcomes.

The Commercial & Procurement Shared Service team in conjunction with colleagues involved in projects submitted entries for and were finalists in the categories as shown below for the GO Awards Scotland 25/26:

- Best Net Zero Initiative (Electric Vehicle Infrastructure)
- Collaborative Procurement Initiative (Electric Vehicle Infrastructure)

The Commercial and Procurement Shared Service team were recognised at the UK National GO Awards 2025/26, receiving the Amazon Business Procurement Team of the Year award.

This award reflects:

- The collective effort across the procurement and commercial community
- Consistent focus on delivering value and outcomes for our councils and communities
- Effective collaboration both internally and with partners and suppliers



6. Supporting the local economy

Local Supplier Spend - The Accounts Commission (the public spending watchdog for local government) has a statutory power to specify information that councils must publish about their performance. They do this through statutory performance indicators (SPIs). Each Council collects and publishes its information.

The remit for SPI reporting requirement was amended during 2018-19; with a request that all local authorities report on spend with Core Trade suppliers only. Core Trade being defined as: Suppliers with whom over £1000 has been spent in a 12-month period, which have also been classified as a health, social care, arts, political, religious or trading organization.

Two SPIs relevant to the local economy and procurement related spend are - spend with local suppliers and local SMEs.

The data is obtained from Spikes Cavell (Scottish Procurement Hub for publication of annual procurement related spend) and is based on locality and size of business.

The below shows a comparison of core trade spend with local businesses and SMEs in financial year 2024-25 and 2025-26:

Categories	24/25 (£)	25/26 (£)	24/25 (% of Total Spend)	25/26 (% of Total Spend)	24/25 - Suppliers	25/26 - Suppliers
Core Trade - All Suppliers	£469,208,399	£420,980,400	100%	100%	2414	2498
Core Trade - Local Suppliers	£195,523,486	£150,490,928	42%	36%	1057	1069
Core Trade - Local SME's	£138,306,050	£95,336,162	29%	23%	726	717

SME definition as per Spikes is:

Legend	Details
Small	Less than 50 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of less than £5.6m will be taken as an indicator that it is a small enterprise.
Medium	Between 50 and 249 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £5.6m and less than £22.8m will be taken as an indicator that it is a medium enterprise.
Large	Greater than or equal to 250 employees, regardless of turnover, or, if the number of employees is unknown, then turnover of greater than or equal to £22.8m will be taken as an indicator that it is a large enterprise.

Spend in the annual report is based on spend by local authority area based on core trade creditors only; the Local authority areas as defined by the ONS (Office of National Statistics); Core-Trade: Suppliers with whom over £1000 has been spent in a 12 month period, that have also been classed as a trading organisation or as a non-trade social care provider.

The Local Supplier Data does not include any spend with Sub-Contractors locally due to the fact that these are not paid directly by the Council and therefore this is not captured in the data.

The spend with local suppliers can be influenced significantly by changes in high spend sectors such as construction, Social Care and ICT, often national suppliers can deliver at the scale to meet Council needs. However, the Council continues to seek to engage with local SMEs around opportunities elsewhere in the supply chain, such as through sub-contracting opportunities.

Sub-contracting can offer vital support to local SMEs by providing them with access to opportunities that may not be able to bid for directly given the scale. Many large contracts awarded by the Council often require significant capacity, resources or specialist expertise that smaller enterprises may not be able to offer alone. By engaging in sub-contracting, SMEs can:

- Develop relationships with larger contractors, gaining valuable experience and visibility within the supply chain.
- Access a broader range of projects, which can help them to grow their business and build a track record for future direct contract bids.
- Benefit from knowledge transfer, skills development and innovation through collaboration with more established firms.
- Contribute to local economic development by keeping more of the supply chain activity within the community.

Therefore, even when SMEs are not the primary contractor, sub-contracting opportunities can play a key role in supporting their growth, sustainability and long-term success within the local economy.

Known sub-contracting activity through Hub North Scotland demonstrates the value of these supply chain opportunities. Across Highland Investment Plan projects in 2025/26, an average of **37% of sub-contracting was awarded locally**, helping to retain investment within the Highland economy and supporting local businesses, employment and skills development.

Community Wealth Building

The procurement and commissioning of goods and services by local authorities and key anchor institutions is a crucial lever in the building of community wealth.

The Council's Community Wealth Building Strategy includes the vision:

> **"Create an inclusive economy by retaining greater wealth and maximising spending within and for the communities of the Highlands, through harnessing organisational power and enabling community led activity".**

With a commitment to embedding Community Wealth Building as a guiding principle for all economic thinking and strategy, one of the key activities relates to developing a targeted supplier development programme which will support Highland SMEs, Social Enterprises, Supported Businesses and the Third Sector to develop tendering skills, and gain experience in identifying and bidding for contract opportunities across the public sector.

7. Supplier Development

The Supplier Development Programme (SDP) was established in 2008, and is a partnership of Local Authorities, Scottish Government and other public bodies that works together to bring free support in all aspects of tendering to Scottish-based SMEs. Commercial & Procurement Shared Services (CPSS) including Aberdeen City, Aberdeenshire and Highland Councils have participated in the below events and activities with the Supplier Development Programme over the period 1 April 2025 - 31 Mar 2026.

Communications and supplier engagement summary

During 2025–26, communications activity continued to support supplier engagement, early market awareness and improved access to procurement opportunities. Updates promoted through the Supplier Development Programme highlighted key Highland Council opportunities and market engagement activity, including Water Systems Maintenance, Intensive Support Services for Children and Young People, Civil Engineering support for Stratton Farm master planning, Battery Energy Storage System development, Renewable Energy Mapping Tool activity and Hydrogen Supply market consultation.

A strong focus was also placed on promoting Meet the Buyer activity and encouraging supplier readiness. Communications included early promotion, countdown messaging and practical preparation updates for Meet the Buyer North 2025. Highland Council exhibited at both Meet the Buyer National and Meet the Buyer North, using these events to engage with suppliers, promote pipeline opportunities and support local businesses to understand how to access public sector contracts. Meet the Buyer North attracted 858 bookings, including 43 Highland business bookings. Meet the Buyer National attracted 2,610 bookings, including 35 Highland bookings.

Aligned tender training also supported supplier capability in relation to the Highland Council Battery Energy Storage System opportunity. This bespoke session attracted 37 bookings and 24 attendees and provided practical guidance to suppliers on the tender process, access to documentation, buyer communications and how to prepare quality responses.

Overall, the communications programme helped to strengthen market engagement, improve supplier awareness of upcoming opportunities and support wider Community Wealth Building objectives by promoting access for SMEs, local businesses and suppliers across the Highland area.

D. Section 3 – Community Benefit Summary

Statutory Requirement

Section 18(2) (d) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: "a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report".

Interpretation

"Imposed" has been interpreted to mean community benefit requirements included within regulated procurements published in the reporting period. Reporting is intended to capture community benefit inclusion at all stages of incorporation, implementation and fulfilment.

The point at which community benefit requirements are "fulfilled" can be a matter of interpretation. Some community benefits outcomes can take a period of years to complete. "Fulfilled" has been interpreted to include community benefits "delivered", "underway" and "in process." Maximum flexibility is offered to suppliers as to when community benefit requirements commence and are ultimately "fulfilled" over the entire contract term. Suppliers are held to their total community benefit commitments (imposed and volunteered) over the life of the contract.

Reporting Period

During 2025–26, the Council's approach to community benefits was guided by the Joint Procurement Strategy 2023–2026 and The Highland Council's Community Benefits Policy. The policy provides a consistent framework for considering community benefits across contracts and frameworks of all values, with requirements applied where relevant and proportionate to the nature, value and duration of the procurement. It supports Community Wealth Building through employment, skills and training opportunities, support for SMEs and third sector organisations, community initiatives and environmental improvements. This complements the Joint Procurement Strategy's mission statement, which commits to delivery of:

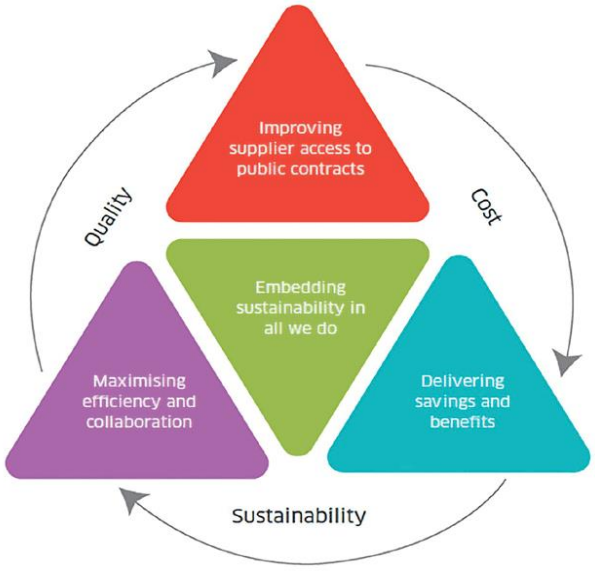
"ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve to further local and national priorities to the fullest extent possible."

Beyond mandatory (£4M) and regulated thresholds (£50K for goods and services/£2M for works) the partner councils routinely seek:

"leverage opportunities (including social, economic and environmental value) aligned to the needs and priorities of our communities"

Our themed approach to community benefits continues to evolve and improve in close alignment with the following local and national priorities, and the Scottish Model of Procurement.

The Scottish Model of Procurement is owned by all the Scottish Public Sector with the aim of promoting the power of public spending to deliver genuine public value beyond simply cost and /or quality in procurement:



As detailed in the Community Benefits Analysis Summary as an organisation we have included, in process or delivered a total of **2255** Community Benefits in this period across both regulated and below threshold procurement activity. Community Benefit Highlights are included at Appendix 3: Case Study 4: Community Benefits in Action.

Community Benefit Activity

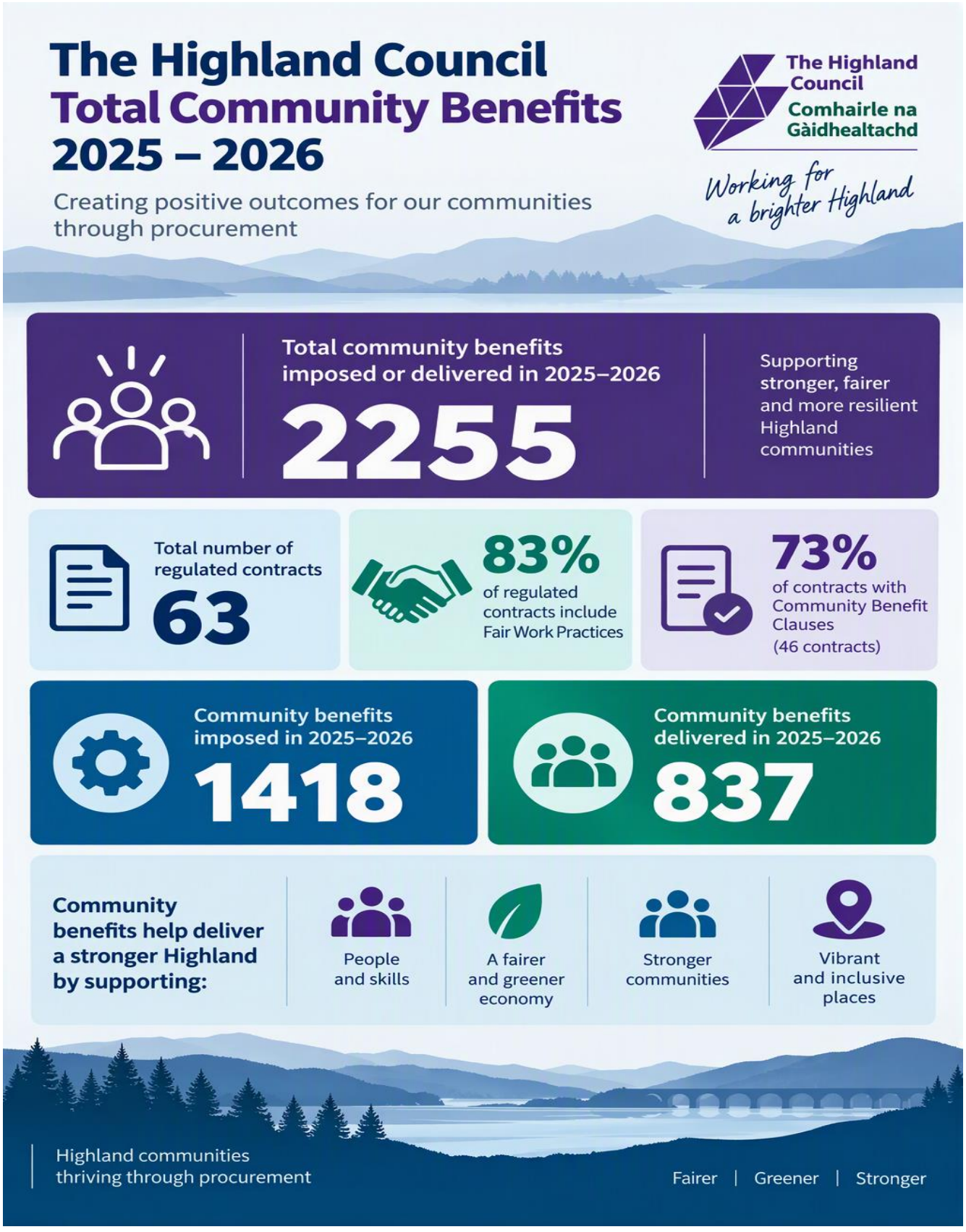
There continues to be an improvement and increase in Community Benefit activity following the implementation of the new Community Benefit Policy in September 2024. Community Benefits / Community Wealth Building must be considered for contracts and frameworks of all values without exception, with a requirement for Fair Work practices, promotion of the real living wage, and prompt payment within supply chains to be included as standard clauses where it is 'relevant and proportionate' to do so, based on the type, value, length and duration of each contract or framework.

Significant work has taken place to further embed other key elements of the policy: -

- Online webinars and briefing sessions have taken place to update new and existing staff as to the requirements of the policy and its underpinning links to community wealth building.
- Procurement documentation has been updated to include community benefit activity which is subject to scrutiny by the Council's Procurement Approval Group.
- Collaboration with the Community Regeneration Team to develop the 'Highland Project Bank' on the BeConnected website. BeSupported will enable communities, community groups, Highland schools and nurseries and other organisations the opportunity to link with businesses

to support activities such as volunteering and donations of goods, supplies or services. Hosting the project bank on the same platform as Community Regeneration Funding opportunities will provide one dedicated website for Highland communities to register their projects and initiatives which are looking to be supported. Officially launched on the 12th November 2026, community groups and businesses are now invited to request and offer support through the website. A series of staff, community and business briefing sessions will take place over coming months to promote the project bank. Increased activity to ensure that any community benefits accrued from spend on national frameworks is delivered to support Highland priorities and communities.

A review of the Community Benefit policy, including an evaluation of its objectives, implementation, delivery, and outcomes will be reported to the Communities and Place Committee in January 2027.


The Highland Council
Total Community Benefits
2025 – 2026
Creating positive outcomes for our communities through procurement
The Highland Council
Comhairle na Gàidhealtachd
Working for a brighter Highland
Total community benefits imposed or delivered in 2025–2026
2255
Supporting stronger, fairer and more resilient Highland communities
Total number of regulated contracts
63
83%
of regulated contracts include Fair Work Practices
73%
of contracts with Community Benefit Clauses
(46 contracts)
Community benefits imposed in 2025–2026
1418
Community benefits delivered in 2025–2026
837
Community benefits help deliver a stronger Highland by supporting:
People and skills
A fairer and greener economy
Stronger communities
Vibrant and inclusive places
Highland communities thriving through procurement
Fairer | Greener | Stronger


The Highland Council
Imposed Community Benefits
2025 – 2026
A diverse range of community benefits built into our regulated contracts, helping to create opportunities and stronger, fairer communities across Highland.
The Highland Council
Comhairle na Gàidhealtachd
Working for a brighter Highland
Total imposed community benefits in 2025–2026
1418
Investing in people, places and opportunities across Highland
Breakdown of imposed community benefits
Jobs (incl. Apprentices) 193
Work Experience / Placement 255
Developing Workforce 417
Education Activities 160
Employability Activities 39
Vacancy Sharing 9
Community Support 49
Local Supply Chain Support 23
Fair Work Practices 78
Real Living Wage 78
Prompt Payment 52
Fostering & Adoption 20
Environmental Measures 33
Case Studies 12
Community benefits for a brighter Highland
Highland communities thriving through procurement
Fairer | Greener | Stronger

Community Benefits Performance Analysis Summary 2025 – 2026 (Delivered)



E. Section 4 – Supported Business Summary

Section 18(2) (e) of the Procurement Reform (Scotland) Act 2014 requires annual procurement reports to contain: "a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report".

Related Duties

Engaging with those affected by our procurements;

- Ensuring regulated procurements contribute to the carrying out of our functions/achieving our purposes;
- Acting in a transparent and proportionate manner;
- Policy on the use of community benefit requirements;
- Compliance with the sustainable procurement duty.

The Details of the contracts with supported businesses in the reporting period is shown below.

Contract with Passion4Social:

IT services website design

***Contract for services to the Commercial & Procurement Shared Service covering Aberdeen City, Aberdeenshire, Highland Councils**

The definition of a Supported Business as per Scottish Government:

> **"Supported businesses are social enterprises whose main aim is to integrate disabled or disadvantaged people socially and professionally. Their workforce must be at least 30% disabled or disadvantaged."**

It is Scottish Government policy that every public body should have at least one contract with a supported business.

Appendix 1 – Regulated Procurements 01 April 2025- 31 March 2026

PCS Document ID / Contract ID	Description	Contract Type	Total Value	Supplier Name	Award Date
827985	Mechanical Ventilation Systems - Servicing, Maintenance, Repairs & Call Outs	1 Services Contract	£ 757,901.76	RI Cruden (GB)	30/03/2026
827353	Performance Management Software	0 Supply Contract	£ 134,000.00	CACI Limited (GB)	24/03/2026
827196	Microsoft Enterprise Agreement	1 Services Contract	£4,742,188.00	Phoenix Software (GB)	20/03/2026
826674	Award of Invitation to Mini Competition (ITMC) for the provision of Inverness Service Point Security	1 Services Contract	£ 77,989.84	Anubis Group (GB)	18/03/2026
826357	Managed Print Service	1 Services Contract	£3,929,000.00	Xeretec Office Systems Ltd (GB)	12/03/2026
825517	New Housing Units, Former St Marys School, Fort William	1 Services Contract	£ 117,437.00	NORR (GB)	04/03/2026
822950	Car Club	1 Services Contract	£2,000,000.00	Enterprise Rent-A-Car UK Limited (GB)	09/02/2026
822897	Grease Traps - Servicing, Maintenance & Repairs	1 Services Contract	£ 233,820.00	Acre Industrial & Cleaning Services Ltd (GB)	05/02/2026
822322	HR & Payroll Solution & Transformation Project	1 Services Contract	£3,548,380.00	Softcat Plc (GB)	04/02/2026
821527	Provision of 211 Bell type Banks for collection of Glass and transportation to processor	1 Services Contract	£ 961,560.00	Biffa Waste Services (GB)	23/01/2026

PCS Document ID / Contract ID	Description	Contract Type	Total Value	Supplier Name	Award Date
820758	Corran Ferry Infrastructure Improvement Scheme (CFIIS)	2 Works Contract	£ 26,143,625.34	Charles Brand Group Ltd (GB)	16/01/2026
820732	Award of Investment Management Consultancy Services	1 Services Contract	£ 953,866.00	Hymans Robertson LLP (GB)	15/01/2026
819763	Provision of Treasury Management Advisory Services	1 Services Contract	£ 82,140.00	MUFG Corporate Markets (GB)	06/01/2026
819615	Award of Provision of Social Care Management System - RM6259 Lot 2	1 Services Contract	£1,719,933.00	Access UK Ltd (GB)	05/01/2026
819376	Female Domestic Abuse Outreach Services Highland West Lochaber Area	1 Services Contract	£ 375,000.00	Lochaber Women's Aid (GB)	23/12/2025
819332	Female Domestic Abuse Outreach Services Highland Mid Ross-shire Area	1 Services Contract	£ 375,000.00	Ross-shire Women's Aid (GB)	23/12/2025
819322	Female Domestic Abuse Outreach Services Highland North Caithness and Sutherland Area	1 Services Contract	£ 375,000.00	Caithness and Sutherland Women's Aid (CASWA) (GB)	23/12/2025
819278	Award of Magic Notes Software	1 Services Contract	£ 105,000.00	Beam Up Ltd (GB)	22/12/2025
818949	The purchase and maintenance of Shredders for pre-treating Bulky Waste	0 Supply Contract	£1,500,000.00	Molson Scotland Ltd (GB)	18/12/2025
818553	21 New Housing Units, Wester Craigs, Inverness	2 Works Contract	£3,906,000.00	Robertson Homes (GB)	15/12/2025
816485	Award of SSE (Security Service Edge) Services	1 Services Contract	£ 749,000.00	Softcat Plc (GB)	21/11/2025

PCS Document ID / Contract ID	Description	Contract Type	Total Value	Supplier Name	Award Date
814265	Mobile Battery Storage Units for EV Charging	0 Supply Contract	£ 279,186.60	NORCO GROUP LIMITED (GB)	29/10/2025
813504	North of Scotland Electric Vehicle Charging Infrastructure Partnership	0 Supply Contract	£ 300,000,000.00 * **Note – Value here is total commercial value across four partner Councils.*	EasyGo (IE)	20/10/2025
811014	THE PROVISION OF WASTE HAULAGE SERVICES 2025	1 Services Contract	£ 28,109,611.00	Bowmans (Locheil Logistics Ltd) (GB) / Gogar Services (GB) / A.W Jenkinson Transport Ltd (GB)	15/10/2025
813138	Award of B9006 STAG Appraisal	1 Services Contract	£ 165,530.21	AECOM (GB)	15/10/2025
813135	Award of Fort William STAG Appraisal	1 Services Contract	£ 113,129.00	Jacobs (GB)	15/10/2025
813038	Children's Disability Short Breaks (Highland)	1 Services Contract	£ 400,000.00	Autism & Neurodiversity North Scotland (GB) / Carr Gomm (GB) / Newcross Healthcare Solutions Limited (GB)	14/10/2025
811389	Visitor Levy Consultation Analysis Report, Economic Impact Assessment, Forecasting and Integrated Impact Assessment	1 Services Contract	£ 64,450.00	The Diffley Partnership (GB)	30/09/2025
811298	Award of Quick Quote September 2022 North Re-issue	1 Services Contract	£1,300,000.00	easter ross coach company llp (GB) / Dunnetts (GB) / Aarons of Wick Limited (GB)	25/09/2025
811146	Award of NK P & R and A82/Rose Street	1 Services Contract	£ 98,696.71	WSP UK Ltd (GB)	24/09/2025
811143	Award of Millburn Corridor, Active Travel and Sustainable STAG/OBC.	1 Services Contract	£ 72,465.00	Stantec UK Limited (GB)	24/09/2025

PCS Document ID / Contract ID	Description	Contract Type	Total Value	Supplier Name	Award Date
810610	DIHD21028 New Housing Development, Former Primary School Site, Aviemore	2 Works Contract	£3,738,240.89	TSL Contractors Limited (GB)	18/09/2025
810393	Energy Efficiency Framework	2 Works Contract	£ 28,000,000.00	Arthian Ltd (GB) / Carbon Futures (GB) / Currie & Brown UK Limited (GB) / Momentum 4 Ltd (GB) / Mott MacDonald Limited (GB) / Renewable Energy Consultants Ltd (GB) / Rybka Ltd (GB) / Bancon Construction Limited (GB) / Bancon Construction Limited (GB) / Bancon Construction Limited (GB) / Insulated Render Systems (Scotland) Limited (GB) / MPC Energy Ltd (GB) / MPC Energy Ltd (GB) / MPC Energy Ltd (GB) / Procast Building Contractors Ltd. (GB) / Procast Building Contractors Ltd. (GB) / Procast Building Contractors Ltd. (GB) / Distrikt Energy Limited (GB) / Distrikt Energy Limited (GB) / Greenflame Installations Ltd (GB) / Greenflame Installations Ltd (GB) / RPJ Energy Solutions (GB)	17/09/2025
809552	Award of Ness Bridge Remediation	1 Services Contract	£ 228,769.80	AtkinsRealis UK Limited (GB)	08/09/2025
808804	Award of CAL20007 New Secondary School, Tain - Supply, Deliver & Install New Audio Visual Equipment	1 Services Contract	£ 88,257.39	Irruptus t/a Efficient Infrastructure Solutions (GB)	01/09/2025
808800	Award of Nairn Dune Protection by Beach Recharge Feasibility Study	1 Services Contract	£ 294,407.67	Jeremy Benn Associates Limited (GB)	01/09/2025
808735	CareFirst Applications Hosted & Managed Service	1 Services Contract	£ 788,862.00	OLM Systems Ltd (GB)	29/08/2025
807988	Award of SXL/2222/Lot 4/THC/VAS Signs/MC	0 Supply Contract	£ 94,296.00	Street Lighting Supplies Ltd (GB)	22/08/2025

PCS Document ID / Contract ID	Description	Contract Type	Total Value	Supplier Name	Award Date
807094	Tigh Na Sgire, Portree - Place Based Demonstrator Project	2 Works Contract	£3,646,272.21	Compass Building & Construction Services (GB)	12/08/2025
804891	Strathcarron Bridge Options Report	1 Services Contract	£ 84,000.00	Mott MacDonald Limited (GB)	21/07/2025
800743	Time Limited Housing Support Framework Agreement - 2024 - HC	1 Services Contract	£4,113,000.00	New Start Highland (GB) / Salvation Army Trustee Company(The) (GB) / CrossReach (the operating name for The Church of Scotland Social Care Council) (GB)	06/06/2025
799199	New Tornagrain Primary School - Mechanical & Electrical Engineer	1 Services Contract	£ 232,452.50	Rybka Ltd (GB)	19/05/2025
798163	AWARDED-HC_Refugee_Resettlement_Support_Service-2024	1 Services Contract	£ 244,977.00	New Start Highland (GB)	07/05/2025
797718	Award of DIHD24019 Housing Development, Chapleton, Balloch Phase 2 - Quantity Surveyor	1 Services Contract	£ 60,400.00	KLM Partnership (GB)	01/05/2025
797079	PSC - Slugain Burn Restoration Design	1 Services Contract	£ 89,994.00	Jeremy Benn Associates Limited (GB)	24/04/2025
794782	Framework Agreement for Counselling Services for Children and Young People	1 Services Contract	£3,000,000.00	HPS Ltd (GB) / CrossReach (the operating name for The Church of Scotland Social Care Council) (GB) / Marit BEHNER-COADY (GB) / Counseling Care, Skye and Lochalsh (GB) / CAITHNESS COUNSELLING SERVICES LTD (GB) / Rowan Consultancy (GB) / CrossReach (the operating name for The Church of Scotland Social Care Council) (GB) / Rowan Consultancy (GB) / Lochaber Hope (GB) / CrossReach (the operating name for The Church of Scotland Social Care Council) (GB)	16/04/2025

Appendix 2 – Future Regulated Procurements 01 April 2026 – 31 March 2028

Contract Name	Type of Contract	Estimated Publication Date	Estimated Contract Value
Winter Equipment Hire	New Procurement	15/10/2026	£140,000
Corran Ferry Purchase	New Procurement	01/04/2027	£28,000,000
Travel Services Provider	Direct Award	15/02/2027	£200,000
Temporary Homeless Accommodation	New Procurement	05/12/2026	TBC
Civic Hospitality -Town House	New Procurement	01/07/2026	TBC
Fresh Meat & Fish Local Framework	New Procurement	01/08/2026	£1,360,000
Milk	New Procurement	07/11/2026	£250,000
Deposit Return Scheme - Reverse Vending	New Procurement	01/10/2027	TBC
Business Gateway	Open Tender	01/07/2027	TBC
First Aid Provision	Dynamic Purchasing System	01/06/2027	£560,000
Aids for Daily Living	Framework Agreement	01/11/2027	TBC
Haulage of food Waste	Tender	01/10/2026	£674,922
Main Insurance policies for the council	Renewal	01/04/2027	TBC
West Ardnamurchan Waste services and Recycling	Tender	01/01/2027	£255,272
Collection of Glass and transportation to processor	Tender	01/12/2027	£961,560
WUD' POPS disposal	Tender	01/05/2027	£800,000
Frozen Food (Framework Master)	Renewal	01/04/2026	£951,670
PPE & First Aid (Framework Master)	New Procurement	01/06/2026	£300,000

Appendix 3 – Case Studies 2025-26

ANNUAL PROCUREMENT REPORT | CASE STUDY 1

North of Scotland Electric Vehicle Charging Partnership

Theme: Collaboration, scale and investment delivering infrastructure for net zero.



Case study focus	Impact at a glance
From individual council ambitions to a regional solution. Four councils combined assets, demand and expertise to create an investable proposition capable of accelerating EV infrastructure delivery across urban, rural and remote communities. Collaboration at the heart of delivery. Aberdeen City, Aberdeenshire, Highland and Moray Councils worked through a shared governance and delivery model. Commercial, procurement, transport, sustainability, property, legal, finance and operational teams aligned priorities, pooled expertise and presented a single regional proposition to the market. Procurement's contribution. The Commercial & Procurement Shared Service helped translate regional ambition into a long-term commercial and procurement model. Early market engagement, collaborative design and clear governance supported effective risk allocation and attracted significant market interest. Next Phase. The next phase will also explore the development of energy hubs and gilt sites, helping to create strategic locations that can combine electric vehicle charging with wider clean energy infrastructure, grid resilience and future commercial opportunities.	**4** Partner councils **570** Additional chargers planned by 2028 **£45m** Private investment ringfenced for North of Scotland projects • Wider access across urban, rural and remote communities. • Regional decarbonisation. • Long-term contract payments and revenue share. • Future strategic options retained.

Next phase: Continued network rollout and benefit realisation will be supported through active contract management and ongoing collaboration across partner councils. This will help deliver the planned expansion and support environmental, commercial and community outcomes.

Children's and Justice Services: Assurance through Contract Monitoring

Theme: Using provider evidence to strengthen compliance, resilience and continuous improvement.

A clearer evidence base for commissioned services. During autumn 2025, the team completed an information-gathering exercise covering Children's Services and Justice contracts commissioned directly by the Council. The exercise concentrated on contractual compliance, with service quality and service-user outcomes monitored through separate care management, assurance and regulatory processes.

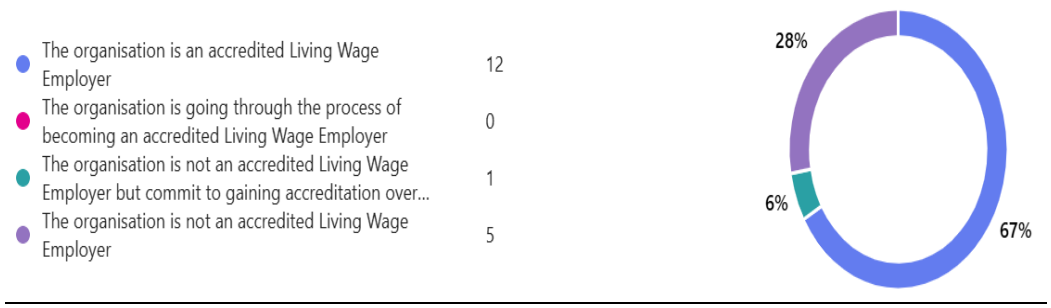
18 of 19 provider responses informed the reported findings. The exercise created a structured baseline for follow-up and future monitoring.

What the monitoring found. Responses were requested from 19 providers and 18 were received within the required timeframe. The review identified strong compliance in areas including insurance, business continuity, Care Inspectorate registration, Real Living Wage commitments, staff training and governance. Issues identified through the process were followed up and resolved.

Next focus

- Improve community benefit evidence
- Broaden lived-experience engagement
- Continue proportionate provider monitoring
- Use findings to inform commissioning and contract management

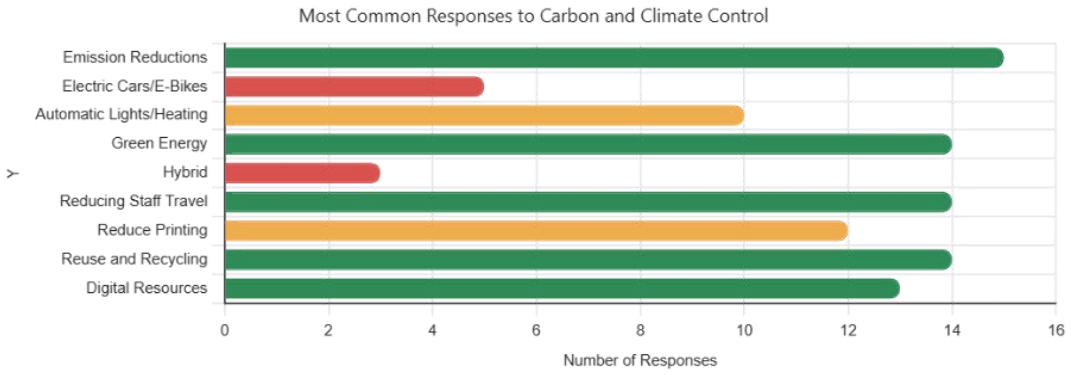
Fair Work: Real Living Wage commitments



What the monitoring found. All 18 respondents reported paying the Real Living Wage or above. Twelve stated that they were accredited Living Wage Employers, one was working towards accreditation and five were not accredited.

Why it matters. This provides evidence of established Fair Work practice, while also distinguishing payment commitments from formal employer accreditation.

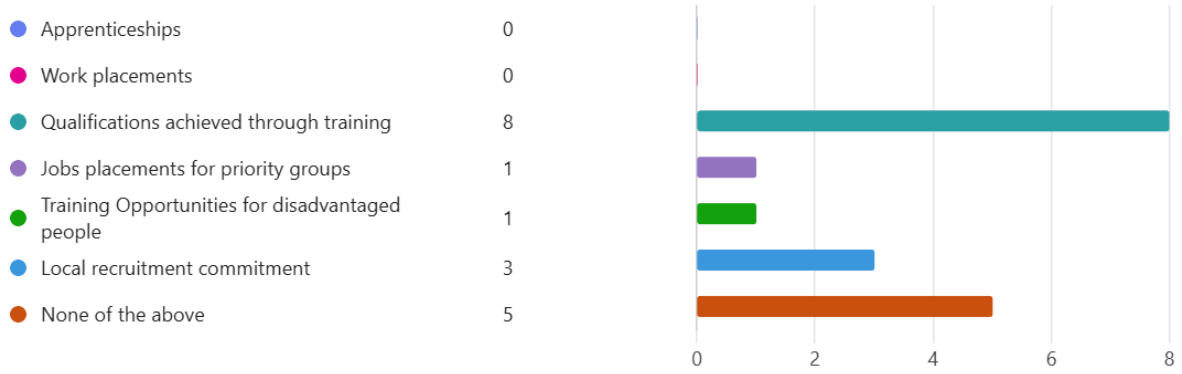
Climate change and circular economy



What the monitoring found. Providers reported a range of activity. The most common measures were emission reductions (15 responses), green energy initiatives (14), reducing staff travel (14), reuse and recycling (14), use of digital resources (13) and reduced printing (12).

Why it matters. The evidence creates a stronger basis for understanding how commissioned providers contribute to environmental objectives and where future monitoring can become more consistent.

Employment opportunities and community benefit evidence

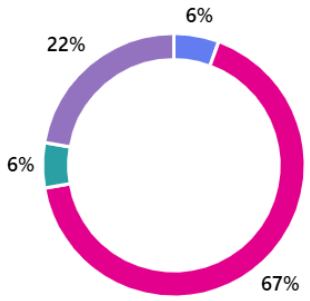


What the monitoring found. Eight respondents reported qualifications achieved through training, three reported local recruitment commitments, one reported job placements for priority groups and one reported training opportunities for disadvantaged people. Five providers reported none of the listed employment opportunities.

Why it matters. The exercise identified scope to strengthen both the delivery and recording of community benefit activity among some providers.

Lived experience in service development

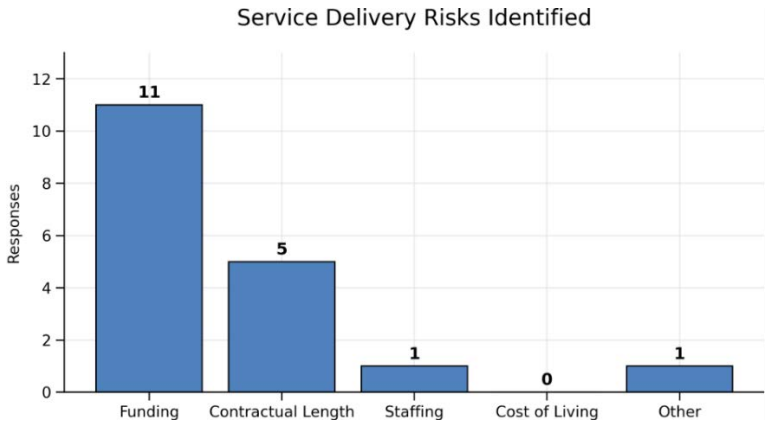
Client/Service User Forums	1
Client/Service User Feedback Questionnaires	12
Client/Service Case Studies	1
Other	4



What the monitoring found. Feedback questionnaires were the most frequently reported method, used by 12 of 18 respondents. Four reported other engagement approaches, while service-user forums and case studies were each identified by one respondent.

Why it matters. Future work can encourage a broader and more consistent evidence base, including participatory approaches that give people using services a more active role in improvement.

Provider view of service-delivery risk



What the monitoring found. Funding pressure was identified by 11 respondents and contractual length by five. Staffing and other risks were each identified once, while cost of living received no responses in this question.

Why it matters. The results highlight financial sustainability and contract stability as the leading concerns reported by participating providers and reinforce the value of continuing structured market and contract intelligence.

ANNUAL PROCUREMENT REPORT | CASE STUDY 3

Property & Assets: Investing in Highland Places

Theme: Safe, sustainable and fit-for-purpose assets supporting communities, services and long-term resilience.

The 2025-26 highlights show the breadth of investment supported across heritage, housing, community sport and transport infrastructure. Together they demonstrate how well-planned procurement and contract delivery help create assets that are accessible, resilient and responsive to local needs.

Wider Outcomes | Property & Assets

- **Long-term asset resilience**
- **Accessible community facilities**
- **Support for housing and connectivity**
- **Heritage and place-based investment**

Inverness Castle | Heritage and visitor economy



Project delivery. Comprehensive refurbishment and restoration of the North and South Towers, with a new infill building providing commercial kitchen and restaurant/cafe facilities. Landscaped gardens, public realm improvements and an extensive interpretation and visitor experience fit-out transform the castle into a world-class visitor attraction designed to achieve a five-star visitor experience.

Impact at a glance. Heritage asset restored; new visitor and hospitality facilities; transformed gardens and public realm; strengthened long-term use of a landmark building.

Chapleton Housing Development | Affordable housing and enabling infrastructure



Project delivery. Phase 1 delivered 52 affordable homes, comprising houses and flats, on a greenfield site. Roads, utilities, drainage and associated services were installed to support the wider multi-year masterplan and contribute to meeting housing demand in Balloch and the wider Inverness area.

Impact at a glance. 52 affordable homes; mix of houses and flats; infrastructure supporting future phases; high-quality homes responding to local demand.

Property & Assets: Project Highlights

Bught Park Shinty Pavilion & Stadium Refurbishment | Community, heritage and inclusive facilities



Project delivery. The historic timber grandstand was refurbished and preserved, extending its operational life while retaining its heritage character. Outdated changing facilities were replaced with purpose-built accommodation meeting modern sporting, accessibility and welfare standards, alongside improved spectator space, hospitality, catering and event spaces and an upgraded, extended car park.

Impact at a glance. Historic grandstand preserved; modern accessible and welfare facilities; enhanced community and event use; increased parking and improved access.

Uig Ferry Passenger Terminal Building | Transport connectivity and passenger experience



Project delivery. A new ferry terminal ticket office was constructed at Uig Harbour on reclaimed land beside the existing terminal. The building provides an entrance hall, concourse and waiting area, accessible toilets, ticket office and staff accommodation, supported by external works and a dedicated storage building.

Impact at a glance. Fit-for-purpose island gateway; improved passenger experience; accessible modern facilities; more efficient port operations.

Community benefits in action

Supporting stronger, greener and more resilient Highland communities

Turning procurement into local impact. The Highland Council Community Benefit Policy, introduced in September 2024, requires community benefits and community wealth building to be considered for contracts and frameworks of every value, where relevant and proportionate. This approach uses procurement activity to create wider social, economic and environmental value, including support for local groups, job creation, skills and training, local supply chains and community-led priorities.

During 2025-26, community benefit funding helped local organisations deliver practical improvements that respond directly to community needs, from energy efficiency and food support to accessible spaces, greener school grounds and facilities for children and families.

16

APPLICATIONS

£30,530.42

COMMUNITY BENEFIT FUNDING AWARDED

LOCAL PROJECTS | VISIBLE DIFFERENCE



NET ZERO NURSERY GARDEN
Friends of Obsdale Parent Council
£1,870.11



FOOD BANK CAPACITY
Invergordon Food Bank
£1,452.98



SCHOOL GARDEN PROJECT
Cannich Bridge Primary School
£1,715.96



SECURE CYCLE SHELTER
Community Hall
£2,500.00



BUILDING IMPROVEMENTS
Glenurquhart Men's Shed
£1,703.00



COMMUNITY SOFT PLAY
Thurso Community Café
£2,041.00

PLACE-BASED SUPPORT | ENERGY EFFICIENCY | COMMUNITY FACILITIES | CHILDREN AND FAMILIES

From individual projects to wider community support

Alongside the community benefit application fund, additional initiatives supported household wellbeing and learning. These activities show how community benefits can be shaped around local priorities and translated into practical help.

£4,000

WARM PACKS

A donation to ALIenergy funded packs containing a fleece blanket, hot water bottle and thermal socks, together with information directing residents to tailored energy-saving advice.

£8,000

TESCO VOUCHERS

Vouchers supported the purchase of jackets and shoes for school children and provided practical assistance for vulnerable adults.

£7,700

TALKING TUBS

Ten educational resource boxes focused on construction and green energy for primary school children.

A RANGE OF COMMUNITY PRIORITIES



Sutherland: warmer, more efficient community buildings. Durness Parish Hall received £1,987.36 towards its heating system, solar PV and loft insulation. The photograph illustrates energy improvements to a community building.



Inverness: greener spaces for early learning. Kinmylies Early Learning & Childcare Centre received £2,150 towards an eco-friendly outdoor space and cabin, supporting outdoor activity and community use.

WHY IT MATTERS

- directs value from procurement towards priorities identified by Highland communities
- supports practical environmental improvements and lower-energy community facilities
- strengthens local services, learning spaces and support for households
- provides visible evidence of community benefit commitments being converted into outcomes

Next focus: continue embedding the policy in procurement approvals, promote the Highland Project Bank hosted on the BeConnected Highland website to businesses and communities and improve consistent recording of outcomes across contract lifecycles.

Skills and pathways for young people

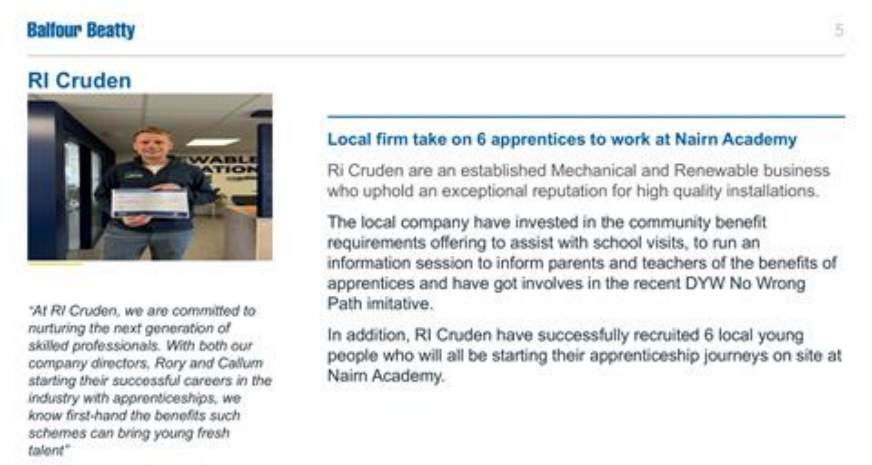
Connecting education, apprenticeships and local employment

Creating clearer routes into work. Community benefit activity at Nairn Academy brought employers and pupils together, combining practical careers guidance with direct apprenticeship opportunities. The activity helped young people understand pathways into construction, mechanical services and renewable energy.

LOCAL SKILLS | FUTURE OPPORTUNITIES

6 LOCAL APPRENTICESHIPS

RI Cruden recruited six local young people to start apprenticeships while working on site at Nairn Academy. The company also supported school visits and shared information with parents and teachers about apprenticeship routes and the benefits of learning while working.



FUTURE READY

Balfour Beatty supported Nairn Academy's Future Ready event, speaking with senior pupils about construction careers and apprenticeship pathways. The session gave practical guidance on routes into apprenticeships and the opportunities available through this career path.



EMPLOYER ENGAGEMENT IN ACTION

WHY IT MATTERS

- creates visible routes from school into local employment and apprenticeships
- connects young people directly with employers and industry opportunities
- helps pupils, parents and teachers understand vocational career pathways
- supports skills needed by construction and renewable-energy sectors

Next focus: continue working with suppliers and schools to build practical, locally relevant pathways into training and employment.



Report Images Credits:

Cover Page – Clachtoll beach Sutherland by Claire Weaver

Last Page - Glenfinnan Viaduct by Eilidh McCann