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| **HIGH LIFE HIGHLAND**  **REPORT TO BOARD OF DIRECTORS**  **26 MARCH 2024** | AGENDA ITEM  REPORT No HLH/ /24 |

**INVERNESS CASTLE EXPERIENCE - Report by Chief Executive**

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| **Summary**  The purpose of this report is to provide Directors of the HLH Board with a copy of the latest Inverness Castle Experience Operating Plan and to highlight specific areas of operation for comment.  It is recommended that Directors comment on the following specific areas within the Operating Plan;   1. Staffing structure and grades 2. Recruitment schedule 3. Marketing timeline 4. Risk register |

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| **1.**  1.1 | **Business Plan Contribution**  High Life Highland’s (HLH) purpose is Making Life Better. The HLH Business Plan contains eleven Business Outcomes which support the delivery of this purpose, and this report supports the following highlighted outcomes from the Business Plan:   1. Seek to continuously improve standards of health and safety. 2. **Commit to the Scottish Government’s zero carbon targets and maintain the highest standards in environmental compliance**. 3. **Use research and market analysis to develop and improve services to meet customer needs.** 4. **Increase employee satisfaction, engagement and development to improve staff recruitment and retention.** 5. **Improve the financial sustainability of the company.** 6. **Value and strengthen the relationship with THC.** 7. **Develop and deliver the HLH Corporate Programme and seek to attract capital investment.** 8. **Use research and market analysis to develop and deliver proactive marketing and promotion of HLH and its services.** 9. Initiate and implement an ICT digital transformation strategy across the charity. 10. **Develop and strengthen relationships with customers, key stakeholders and partners.** 11. Deliver targeted programmes which support and enhance the physical and mental health and wellbeing of the population and which contribute to the prevention agenda. |
| **2.** | **Background** |
| 2.1 | Inverness Castle is an iconic Category A listed building of national and international significance, situated in the centre of Inverness, on Castlehill above the banks of the River Ness. It was historically used by the Scottish Courts and Tribunals Service (SCTS) and The Highland Council (THC) for court and office purposes. However, the SCTS moved from the castle in 2020 and transferred to the new Justice Centre that was built in Inverness. This has provided a real opportunity to create a significant tourism asset at the castle that will act as a focal point for the promotion of tourism across, and draw visitors to, the Highlands. |
| 2.2 | Construction work started in April 2022 and is due to be completed in December 2024. A fit-out contract will overlap with the end of the construction work, with an anticipated conclusion by May 2025. An Operating Plan has been devised by the Project Director for the purpose of scheduling the arrangements required to successfully open the Inverness Castle Experience as a world class visitor attraction as soon as possible in 2025. |
| **3.** | **Project Governance** |
| 3.1 | The Inverness Castle project is owned by THC and sits within the remit of THC’s Economy and Infrastructure Committee. High Life Highland (HLH) is acting as THC’s agent to manage the project. |
| 3.2 | As approved by both the Scottish and UK Governments (within the City Region Deal Full Business Case) and THC Corporate Resources Committee in January 2022, HLH will manage and operate the Inverness Castle Experience on behalf of THC when it opens as a new visitor attraction in 2025. A Service Level Agreement will be drawn up between THC and HLH, within the overall governing Service Delivery Contract (SDC) between the two parties, for the purpose of setting out the terms and arrangements of this agreement. |
| 3.3 | Under the same arrangements as the SDC, HLH will report to the Council’s governing committee twice yearly to give an update on the performance of the Inverness Castle Experience. When the new visitor attraction is open, governance of the Inverness Castle Experience will be provided by HLH’s Charity Board and Trading Company Board of Directors on behalf of THC. The management of the visitor experience will fall within the remit of the Charity Board, while the commercial performance of the visitor attraction will be scrutinised by the HLH Trading Board. |
| 3.4 | In 2024 the governance role of each HLH Board will increase as the operational arrangements for the opening of the Inverness Castle Experience progresses. The route map for this transitional period will be set out in a report to THC Economy and Infrastructure Committee on 2nd May 2024. The HLH Chief Executive and Inverness Castle Project Director will liaise with the HLH Boards to shape the proposed nature of the transition and the content of the committee report. |
| 4. | **Operating Plan to Opening** |
| 4.1 | A Business Plan for the Project is contained within the City Region Deal Full Business Case, which has been approved by both the UK and Scottish Governments. The purpose in revisiting the contents and projections of the Business Plan has been to create an Operating Plan which focuses on the period leading up to opening in 2025, to ensure that all of the necessary operational arrangements are in place and robust, and that they reflect current and changing economic conditions. |
| 4.2 | The Operating Plan sets out the arrangements for opening the castle in 2025. The Director of the Inverness Castle Project will lead on the implementation of the arrangements within the Plan and update them quarterly to provide a working document, in addition to reforecasting the revenue budget on an ongoing basis. |
| 4.3 | The purpose of this report is to provide Directors of the HLH Board with a copy of the latest Operating Plan and to highlight specific areas of operation. The Operating Plan is presented as an [**Appendix A**](https://www.hlhinfo.com/userfiles/file/Board/Meetings/Board_Meetings/2024/28032024/F-Item-10a-OPERATING-PLAN-AND-APPENDICES-240313.pdf) to this report. |
| 4.4 | The Project Director would like to highlight the following areas of operation for comment by Board members. Please note that a copy of the proposed staffing structure, grades and recruitment schedule is not yet contained within the Operating Plan but will be presented at the Board meeting.   1. Staffing structure and grades 2. Recruitment schedule 3. Marketing timeline 4. Risk register |
| **5.** | **Implications** |
| 5.1 | Risk Implications – there are no new risk implications associated with the recommendations of this report. |
| 5.2 | Equality Implications – there are no new equality implications associated with the recommendations of this report. |
| 5.3 | Legal Implications – there are no new legal implications associated with the recommendations of this report. |
| 5.4 | Resource Implications – there are no new resource implications associated with the recommendations of this report. |
| **Recommendation**  It is recommended that Directors comment on the following specific areas within the Operating Plan:   1. Staffing structure and grades 2. Recruitment schedule 3. Marketing timeline 4. Risk register | |

Designation: Chief Executive

Date 15 March 2024

Author: Fiona Hampton, Director, Inverness Castle Project