

The Highland Council

Agenda Item	4
Report No	ECI/10/2024

Committee: Economy and Infrastructure

Date: 2 May 2024

Report Title: Inverness Castle Experience Update

Report By: Executive Chief Officer Infrastructure, Environment & Economy

1 Purpose/Executive Summary

1.1 This report will present the following updates for Members:-

- i. Project progress since Resources Committee in January 2022;
- ii. Partner funding;
- iii. Inverness Castle Experience – design;
- iv. Summary of key elements of the Operating Plan for opening; and
- v. Proposed governance arrangements.

2 Recommendations

2.1 Members are asked to:-

- i. **Note** progress on the project;
- ii. **Note** the Executive Summary of the Operating Plan;
- iii. **Agree** to the use of £100,000 UK Government Shared Prosperity Fund for the training programme proposed in section 8.13 of the report; and
- iv. **Agree** to the proposed governance arrangements outlined in section 9.4 of the report, to commence in November 2024 once the Head of the Inverness Castle Experience has been appointed.

3 Implications

- 3.1 **Resource** - there are no additional resource implications arising directly from the report for The Highland Council.
- 3.2 **Legal** - there are no specific legal implications arising directly from the report.
- 3.3 **Community (Equality, Poverty, Rural and Island)** - the exhibition content of the new visitor attraction has been crowd sourced from individuals and communities across the region, including rural and island communities. The designs will reflect the stories submitted by many individuals who have summed up what the Spirit of the Highlands means to them and to their community.

Artists across the Highlands have developed new commissions along the same theme as part of the Spirit 360 project and groups of stitchers from across the region have added their own perspective on the Spirit of the Highlands in the panels they have created as part of the Tapestry of the Highlands and Islands.

- 3.4 **Climate Change / Carbon Clever** - there are no negative implications connected with this report. As part of the Levelling Up Fund – Inverness Zero Carbon Cultural Regeneration Project, a new Energy Centre is currently under construction on Castle Street. The Energy Centre will provide heating for both Inverness Castle and Inverness Town House and will assist the Council in achieving its net zero carbon targets.
- 3.5 **Risk** – the project risks have been captured in the Inverness Castle Risk Register. At this time there are only two risks deemed to be above the line, with Risk Management Plans in place to mitigate their likelihood and impact. A copy of the current risk register is included within Appendix 4.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – there are no specific risks other than those associated with a construction project.
- 3.7 **Gaelic** – the celebration and promotion of Gaelic language and culture has been integral to the design of the visitor experience. Gaelic Advisors were appointed at the outset of the Project, and they have worked with the interpretation designers to maximise on the opportunities to celebrate Gaelic throughout all of the experiences within the building and through the choice of plantings within the castle grounds.

4 Background

- 4.1 At The Highland Council’s Corporate Resources Committee of 26 January 2022, Members accepted the tender price submitted by Bancon Construction to enable the transformation of Inverness Castle to begin. The castle was used historically by the Scottish Courts and Tribunals Service and The Highland Council for court and office purposes and the Members’ decision in January 2022 enabled the Inverness Castle Project to progress towards the development of a significant asset that will act as a focal point for the promotion of tourism across, and draw visitors to, the Highlands.
- 4.2 The new visitor attraction will be known as the Inverness Castle Experience and, in addition to attracting national and international tourists to Inverness and the Highlands, the new development will provide a high-quality leisure and cultural amenity for local residents. The Inverness Castle Experience will interpret the ‘Spirit of the Highlands’ through stories and content crowd sourced from individuals and communities across the Highlands and will encourage visitors to explore other areas of the region.
- 4.3 Construction work started in April 2022 and is due to be completed in December 2024. A fit-out contract will overlap with the conclusion of the construction work, with an anticipated opening date in summer 2025. An Operating Plan has been devised to schedule the arrangements required to successfully open the Inverness Castle Experience as a world class visitor attraction.
- 4.4 The Inverness Castle Project is owned by The Highland Council and sits within the remit of Economy and Infrastructure Committee.

- 4.5 In accordance with the City Region Deal Full Business Case approved by both the Scottish and UK Governments at Resources Committee of 26 January 2022, Members agreed to:-
- Accept the revised tender price from Bancon Construction Ltd in the sum of £22,876,454.38 for the main construction Contract;
 - Approve borrowing of £5,755,454 of Council capital funding to complete the funding package for the project, repaid through revenue surpluses from the operation of the visitor attraction;
 - Agree that High Life Highland will be the Managing Agent of the new visitor attraction on behalf of The Highland Council;
 - Agree that a stand-alone Service Level Agreement be devised between The Highland Council and High Life Highland and that the financial model operates on the basis of an equal profit sharing split, once all operating costs and loan repayment charges are met; and
 - To ensure that the funding support from the Inverness and Highland City Region Deal is used to the benefit of the wider Highlands and not just Inverness, agree that the 50% profit retained by High Life Highland be restricted to supporting the development of leisure, cultural and tourism infrastructure throughout the Highlands (outside the Inverness City centre boundary) on behalf of The Highland Council.
- 4.6 As the Project progresses towards the opening of the castle, this report will present the following updates for Members:-
- i. Project progress since Resources Committee in January 2022;
 - ii. Partner funding;
 - iii. Inverness Castle Experience – design;
 - iv. Summary of key elements of the Operating Plan for opening; and
 - v. Proposed governance arrangements.

5 Project Progress

- 5.1 Overall, the Project remains on schedule. The construction work by Bancon is currently three weeks behind programme and an extension of time award has been agreed with the contractor. The main contractor is looking at ways to make this time back up. Discussions have been held with Bancon to work in partnership with the fit-out contractor to enable both contractors to work concurrently, ensuring that the overall project remains on programme.
- 5.2 In October 2021, The Highland Council was successful in its application to Round One of the Levelling Up Fund, being awarded £19.856m to support three separate but connected projects. One of the projects was to build a new Energy Centre on Castle Street to provide an energy supply for Inverness Castle and Inverness Town House that would help the Council to achieve its net zero targets. The Castle Street Energy Centre Project is progressing well and is currently on programme and within the budget awarded by the Levelling Up Fund.

5.3 Bancon Construction are a Scottish Company based in the Northeast. They operate as a Management Contractor engaging subcontractors from the local workforce. During the contract it has been confirmed that over two thirds of the subcontractors involved in the transformation of Inverness Castle are based locally within the Highlands with the remaining, who require specialist skills, within reach of the area. Local sub-contractors include:-

- ANM Electrical, Inverness;
- RI Cruden Ltd Environment Renewable Natural Resources Mechanical and Plumbing, Inverness;
- UB Civils Ltd, Inverness;
- Highland Tree Doctor, Inverness;
- Highland Blast, Inverness;
- Cameron Painters, Dingwall;
- CC North, Inverness; and
- Artisan Plastering, Dornoch

5.4 In July 2021, following a competitive tendering process, Mather & Co were appointed as the Project's Exhibition Content Design Partner. Mather & Co have completed the design of some of the most successful exhibitions, visitor attractions, tours and museums in the world including the recently opened Gretna Green Experience; Downton Abbey - The Exhibition; The Ultimate Lap at the Silverstone Experience; The Royal Mint Experience; and the R&A World of Golf Museum in St Andrews.

5.5 The remit of Mather & Co is to design the Inverness Castle Experience using the stories, content and themes crowd sourced from individuals and communities across the Highlands to present the 'Spirit of the Highlands' to visitors to the castle. Almost 600 stories have been submitted by people living in the Highlands and Islands which the team from Mather & Co have used to develop the themes and content within the new visitor attraction. Mather & Co are in the process of completing their design work and an update on the designs for each area of the castle and its grounds will be presented on the day of the Committee.

5.6 The Inverness Castle Project was successful in attracting funding from the Natural and Cultural Heritage Fund to develop and deliver the Spirit of the Highlands and Islands (SOTHI) project in partnership with VisitScotland. The aim of SOTHI was to generate economic and social benefits for the communities of the Highlands and Islands, by re-positioning the region as a responsible tourism destination. This involved working in an inclusive and collaborative way to establish tourism as a force for good in communities across the region. To achieve this, several digital assets were created, including a website and app platform to showcase the diverse natural and cultural heritage of the Highlands and Islands, an interactive map featuring story content, trails and itineraries, and a bespoke solution for tracking visitor behaviour across the region.

5.7 As part of the Spirit of the Highlands project the Tapestry of the Highlands and Islands was also developed. The creation of the Tapestry was as a result of a significant community arts project involving stitching groups from communities across the whole of the Highlands and Islands. Over 660 stitchers created 57 panels that will become a visual canvas of how communities across the region have interpreted the Spirit of the Highlands.

With support from Highlands and Island Enterprise, the panels have now been framed, with the hope that they can be returned to be showcased in the communities from where their inspiration came from, prior to becoming part of the first exhibition in the new North Tower gallery when the castle opens in 2025.

- 5.8 Workhaus Projects were appointed in January 2024 following a competitive tender process to build the visitor experience designs of Mather & Co. Workhaus are a creative fit-out company who have been working within the museum, heritage and visitor attraction sector for over two decades, transforming spaces into memorable visitor experiences. Examples of their work can be seen at St Andrews - World of Golf; V&A Dundee – Tartan Exhibition; Wizarding World - New York; Eureka! - Mersey and the Oxford University Museum of Natural History. Workhaus will combine creativity, design, technology and craftsmanship to create a world-class visitor experience within the transformed castle building, bringing the vision of content designers Mather & Co to fruition. The result will be an immersive and educational experience that will engage and delight all visitors.
- 5.9 As the Inverness Castle Project moves into the phase to prepare for opening in 2025, the services of an Operations Management Partner have been procured competitively and Spider Entertainment have been appointed. Spider Entertainment bring over 30 years of specialist experience in opening and operating visitor attractions across the world to the Project Team. Their track record includes working with Disney; Merlin Entertainments; Continuum Attractions; Silverstone; Centre Parcs; Legoland Windsor; the Spinnaker Tower and Coronation Street - The Tour. Representatives of Spider Entertainment will attend the Committee to answer any questions on the Operating Plan for opening.

6 Partner Funding Update

- 6.1 The Inverness Castle Project budget and funding is set out in **Appendix 1 – Inverness Castle Budget and Funding**.
- 6.2 While the Project remains within budget, work is ongoing to attract funding from public and private sources. The table in **Appendix 2 – External Funding** summarises the external funding secured, and the status of new funding being sought.

7 Inverness Castle Experience - Design

- 7.1 The new visitor attraction will be known as the Inverness Castle Experience. The Experience will interpret the ‘Spirit of the Highlands’ through stories and content crowd sourced from individuals and communities across the Highlands and will encourage visitors to explore other areas of the region.
- 7.2 Visitors to the castle and its grounds will step into an immersive adventure and very quickly become aware that this is not a typical castle. It is an interactive experience where innovation meets the Highland tradition of storytelling - reimagined spaces will invite visitors to immerse themselves on a journey featuring a dynamic fusion of Highland views, voices and stories. Follow the Seanchaidh (storyteller) through the South Tower as tales of Highland landscape, heritage, culture and the spirit of its people unfold towards an unforgettable finale.

- 7.3 Guests can pause for a moment at the restaurant, enjoy the views down Loch Ness and explore the retail offering before the adventure continues. The journey takes the visitor to the lively spirit of the North Tower 'Ceilidh Rooms' to immerse themselves in the newly interpreted Runrig exhibition, while exploring the rich 'Tapestry of the Highlands and Islands' created by communities from every part of the region. An interactive journey awaits at every turn, including the new and breathtaking panoramic roof top views.
- 7.4 A copy of the promotional film that gives a flavour of the new Inverness Castle Experience can be accessed via this link.

What is the Inverness Castle Experience? | Inverness Castle Experience

8 Operating Plan for Opening

- 8.1 The Operating Plan sets out the arrangements required to open the castle in 2025. The Executive Summary of the Operating plan is attached as **Appendix 3 – Operating Plan – Executive Summary**.
- 8.2 With a proposed opening of the summer of 2025, the project is now entering a critical stage and requires a co-ordinated marketing, promotion and recruitment campaign over the next few months to ensure the successful launch of the Inverness Castle Experience.
- 8.3 Set up costs will be required to support the preparations for opening. These will include recruitment of the Inverness Castle Experience team, which will begin in summer 2024, and to facilitate the extensive training programme which will be required in advance of opening. As indicated there will also be a need to undertake local, national and international marketing activity to ensure that the new Castle Experience reaches its target visitor numbers. The set-up costs will be met from the projected surplus in the first year of opening at no cost to The Highland Council.
- 8.4 The revenue projections for the first five years of operation of the Inverness Castle Experience continue to show a surplus. The projections are reviewed on a regular basis to take account of economic and market conditions and to bench mark the castle against local and national visitor attractions. Data from VisitScotland is also used to check projected visitor numbers along with feedback from engagement with tour operators. This process of review will continue on an ongoing basis to ensure that income projections and overhead expenditure calculations remain robust.
- 8.5 In accordance with the Members' decisions at the Corporate Resources Committee on 26 January 2022, any surplus generated from the operation of the Inverness Castle Experience, once all operating costs and loan repayment charges are met, will be shared on an equal basis between The Highland Council and High Life Highland. The 50% profit retained by High Life Highland will be restricted to supporting the development of leisure, cultural and tourism infrastructure throughout the Highlands (outside the Inverness City centre boundary) on behalf of The Highland Council.

- 8.6 The specialist Operations Management Partner, Spider Entertainment, are reviewing the Operating Plan as part of their contract. Their initial priority has been to challenge the staffing levels and grades required to operate the five business units within the castle: the South Tower visitor experience, the North Tower visitor experience, the food and beverage operations, the retail offering and the esplanade gardens. They have projected the resources required to present a world class visitor attraction for the opening hours proposed within the Operating Plan to service the needs of both visitors to the area and for the local market.
- 8.7 In addition, Spider Entertainment has compared the proposed staffing levels for each area of operation with other business units and have market tested the proposed salary level and pay rates within the UK visitor attraction sector and across the Highland hospitality and tourism sectors. Similar advice has been sought from the Association of Scottish Visitor Attractions as well as other Highland based visitor attraction and tourism organisations and businesses in both the public and private sectors.
- 8.8 The proposed staffing levels and pay rates for the Inverness Castle Experience currently compare competitively and favourably with similar visitor attractions and within the Highland hospitality and tourism sector.
- 8.9 The proposed staffing levels are based on keeping the visitor attraction open as long as possible in the high season summer months, with additional temporary staff required at peak times. Staffing levels in the winter months will be lower. Spider Entertainment has recommended a minimum core staff of circa 67 staff to deliver the five business units, based on a 2-shift model to maximise visitor numbers and income. It is anticipated that up to a further 15 temporary staff may be required during the summer season dependent upon visitor numbers.
- 8.10 The Project Team will consider the most effective business models to develop the new Inverness Castle Experience team, reviewing options for direct recruitment, working with existing Council services, outsourcing, developing partnerships and volunteering. This process will begin in mid-2024 in preparation for a summer opening in 2025.
- 8.11 The Project Team is also working with a range of representatives from organisations who have a role in Developing the Young Workforce (DYW). The Project Team are seeking to provide training and employment opportunities for young people to join the Inverness Castle Experience and to develop their careers as part of that team. Partners from DYW organisations and UHI are helping the Project Team to develop an employability pathway to encourage young people to consider a role within the Inverness Castle Experience and to provide training opportunities to ensure that they are able to secure employment as members of the new workforce.
- 8.12 A draft employability pathway has been developed, starting in May 2024 leading up to recruitment early in 2025, in preparation for opening in summer 2025. The steps on the pathway seek to encourage interest from young people, to provide employability training, to develop a mentoring programme, to offer work placements, ahead of entering the process for selection and appointment. Along the employability pathway young people could acquire qualifications such as the SQA Employability Award Level 4, World Host Training, Emergency First Aid at Work, REHIS Food Hygiene Certificate Level 2, Personal License (18+), Barista training, in addition to a range of work experience in customer facing roles.

- 8.13 Financial support has been sought from the UK Shared Prosperity Fund (UKSPF) to secure £100,000 to enable the Project Team to provide specialist visitor attraction training to those young people identified by the DYW and UHI teams as potential candidates for employment in the castle. The UKSPF report put to the Economy and Infrastructure Committee on 17 August 2023 recommended approval of the proposal that “part of the UKSPF skills funding (up to £200k to be confirmed) is used to support the delivery of Five Star skills training for Inverness Castle for its opening in 2025”. Members of the Committee approved this proposal. It is recommended that Members agree to the use of £100,000 UK Government Shared Prosperity Fund for the Inverness Castle Experience training programme proposed.
- 8.14 The services of Spider Entertainment have been procured through Public Contracts Scotland to develop and deliver the specialist training required to successfully open and operate the Inverness Castle Experience as a world class visitor attraction. Spider Entertainment will assist DYW and UHI in the selection of candidates for training and employment and will deliver much of the bespoke visitor attraction training through their company. At the same time, the services of other training providers may be procured to deliver other areas of specialised training to complete the package required in each business unit.
- 8.15 It is anticipated that there could be circa 30 permanent and 15 seasonal job opportunities that could be available to the young people who successfully progress through the employability pathway. The majority of the employment opportunities would be for front of house staff positions across the five business units. These would include positions in visitor services, food and beverage, retailing, clerical and estates operations.
- 8.16 Work has been initiated to test the concept of whether there is an economic development opportunity to create a specialist training programme for the operation of visitor attractions arising from the work undertaken to recruit and train the Inverness Castle Experience team. A Strategic Outline Case has been completed to consider whether the specialist training programme devised to establish the castle workforce could continue and if it could support the development of high-quality staff training programmes on an ongoing basis for the castle and for other visitor attractions in the Highlands.
- 8.17 The Strategic Outline Case indicated positive support for the concept from those stakeholders who were engaged in this early dialogue. The next step will be to develop the Outline Business Case for such a training programme and, in doing so, to engage with a larger and wider group of stakeholders within the visitor attraction and hospitality sectors.
- 8.18 The Operating Plan also sets out the risks to the project and the arrangements to mitigate their likelihood and impact. A Risk Register, Risk Profile and Risk Management Plans have been devised for the Inverness Castle Experience to highlight business critical risks that might prevent the successful achievement of the vision and aims of the project. The Register, Profile and Plans are presented to the Inverness Castle Delivery Group on a quarterly basis and updated to reflect the feedback of the group. The Director of the Inverness Castle Project and Principal Project Manager review the Risk Register quarterly, with a full review being undertaken annually with the Project’s Senior Responsible Officer. A copy of the current Inverness Castle Risk Register is set out in **Appendix 4 – Risk Register**.

9 Governance Arrangements

- 9.1 Inverness Castle is owned by The Highland Council and sits within the remit of the Economy and Infrastructure Committee. In accordance with the City Region Deal Full Business Case approved by both the Scottish and UK Governments and the Members' decision at The Highland Council Corporate Resources Committee in January 2022, High Life Highland will manage and operate the Inverness Castle Experience on behalf of Highland Council when it opens as a new visitor attraction in 2025.
- 9.2 Highland Council and High Life Highland have worked in partnership to deliver the Inverness Castle capital project since 2015. The Project has been governed by the Inverness Castle Delivery Group, Co-Chaired by Fergus Ewing MSP and the Leader of the City of Inverness and Area and with a Board comprised of Highland Council Members, Highland Council and High Life Highland officers and industry representatives. The role of the Delivery Group will come to a natural end when the Project is delivered.
- 9.3 To maintain this partnership, it is proposed that a new Management Board is established to fulfil the role vacated by the Delivery Group. The remit of the Board will be to provide strategic direction and guidance to the Senior Management Team of the Inverness Castle Experience, with membership of the Board reflecting that of the Delivery Group and Chaired by the Chair of Highland Council's Economy and Infrastructure Committee.
- 9.4 The remit and composition of the Inverness Castle Experience Management Board is set out in **Appendix 5 – The Inverness Castle Experience Management Board**. It is recommended that this Group begins to meet from November 2024 following the appointment of the Head of the Inverness Castle Experience.
- 9.5 When the new visitor attraction is open, routine and ongoing governance of the Inverness Castle Experience will be provided by the High Life Highland Charity Board and Trading Company Board of Directors on behalf of Highland Council. 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 Trading Board. Under the same arrangements as the Service Delivery Contract between Highland Council and High Life Highland, it is proposed that High life Highland will report to Highland Council's governing Committee twice yearly to give an update on the performance of the Inverness Castle Experience.

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 12 April 2024

Author: Allan Maguire, Head of Economic Development & Regeneration

Background Papers: None

Appendices: Appendix 1 - Inverness Castle Budget and Funding
Appendix 2 - External Funding
Appendix 3 - Operating Plan – Executive Summary
Appendix 4 - Risk Register
Appendix 5 - The Inverness Castle Experience Management Board

Inverness Castle Budget and Funding

COSTS	Construction Cost	£22,876,454
	Contingency	£1,000,000
	Fees	£4,200,000
	Interpretation Fit Out	£5,500,000
	Land Acquisition	£327,000
	NCHF Match Funding	£528,000
	Enabling Works	£594,000
	Operator Fit Out	£400,000
	All Risks Insurance	£480,000
Total Budget		£35,905,454
FUNDING	City Region Deal – SG	£13,264,077
	City Region Deal – UKG	£100,000
	Highland Council	£9,800,000
	HIE	£2,000,000
	Highland Council Borrowing	£5,755,454
	Scottish Government Grant	£4,635,923
	HES	£350,000
Total Funding		£35,905,454

External Funding

Source	Purpose	Amount	Status
NatureScot	Spirit of the Highlands and Islands Project	£750K	Approved
VisitScotland	Spirit of the Highlands and Islands Project	£125K	Approved
HIE	Spirit of the Highlands and Islands Project	£120K	Approved
Scotgrad	Spirit of the Highlands and Islands Project	£12K	Approved
Creative Scotland	Artists' Commissions	£150K	Approved
HIE	Highland Visitor Attraction Training Programme Research	£17.5K	Approved
Shared Prosperity Fund	Highland Visitor Attraction Training Programme Research	£17.5K	Approved
Active Travel	Cycle Racks	£19K	Approved
Inverness Common Good Fund	Restoration of the Rose Window	£9.5K	Approved
Inverness Rotary Club	Restoration of the Rose Window	£3K	Approved
HIE	Preservation of the Tapestry Panels	£30K	Approved
Bord na Gaidhlig	Gaelic Advisors	£5K	Approved
Shared Prosperity Fund	Recruitment and Training of ICE Workforce	£100K	Application submitted
NLHF	Interpretation of Social Justice System in the Highlands	£160K	Application submitted
Commercial sponsorship	Sponsorship Matrix	Various	Begins in 2024

Operating Plan Executive Summary

E1	<p>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.</p>
E2	<p>The Inverness Castle Experience will be opened to the public in 2025, attracting national and international tourists to Inverness and the Highlands and, in addition, will provide a high-quality leisure and cultural amenity for local residents. The Inverness Castle Experience will interpret the 'Spirit of the Highlands' through stories and content crowd sourced from individuals and communities across the Highlands and will encourage visitors to explore other areas of the region.</p>
E3	<p>Construction work started in April 2022 and is due to be completed in December 2024. A fit-out contract will overlap with the conclusion of the construction work, with an anticipated completion date in summer 2025. The purpose of this Operating Plan is to schedule the arrangements required to successfully open the Inverness Castle Experience as a world class visitor attraction as soon as possible in 2025.</p>
E4	<p>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.</p>
E5	<p>As per the Full Business Case approved by both the Scottish and UK Governments 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.</p>
E6	<p>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 against agreed KPIs. When the new visitor attraction is open, routine and ongoing 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 Trading Board.</p>

E7	The project is planned to act as a catalyst for the regeneration of Inverness city centre and become a gateway for Highland tourism, supporting economic growth throughout the area. The aim is to extend visitor stays and increase visitor spend in the area, raise awareness of the Highlands internationally and link to other historic, cultural and natural attractions across the region, as detailed in the project objectives.
E8	Detailed analysis of the visitor market in Inverness and the Highlands has been undertaken in preparing the City Region Deal Full Business Case. This data has been reviewed and used to develop the Marketing Plan, which sets out the marketing and communications activity that will be scheduled and implemented between summer 2023 until the opening and launch of the Inverness Castle Experience in 2025.
E9	<p>The Vision of the Project is:-</p> <p>‘To create a sustainable and viable must-see visitor attraction that innovatively celebrates the ‘Spirit of the Highlands’ its creativity, culture, heritage and landscape. The visitor attraction will attract new and repeat visitors to the area, will be embraced by the people of the Highlands and will inspire all to visit other parts of the Highlands.’</p>
E10	The Inverness Castle Visitor Experience is expected to attract around 500,000 visitors per annum. This projection is made up of general ticketed admissions, guests on bespoke tours outwith normal opening hours, event goers, shoppers and diners in the restaurant and bars, as well as visitors to the gardens.
E11	Mather & Co have been appointed as the Exhibition Content Design Partner for the development of the Inverness Castle Experience and will develop the interpretation within the castle and its grounds. The designs and interpretation will reflect a celebration of Gaelic language and culture throughout.
E12	All items within the revenue budget have been updated from the projections and estimates within the Business Plan in the Full Business Case. The outturn each year continues to show a surplus, however ongoing checks and calculations will be undertaken to ensure that the projections remain robust.
E13	The staffing establishment of the Inverness Castle Experience has been drawn up and is being tested against the operating patterns of other significant visitor attractions to determine the most appropriate mix of FTEs and seasonal staff.
E14	The approach to training the new Inverness Castle Experience team has been to engage the services of an Operations Management Partner (OMP). Spider Entertainment have been procured on a retained basis to provide this support to the Project Team.

E15	Work has been initiated to test the concept of whether there is an economic development opportunity to create a specialist training programme for the operation of visitor attractions arising from the development of the Inverness Castle Experience. The question is whether these training programme/s could continue and support the development of high-quality staff training programmes on an ongoing basis for the castle and for other visitor attractions in the Highlands and potentially across Scotland.
E16	The Strategic Outline Case indicated positive support for the concept from those stakeholders who were engaged in this early dialogue. The next step will be to develop the Outline Business Case for such a training programme and, in doing so, to engage with a larger and wider group of stakeholders within the visitor attraction and hospitality sectors.
E17	The initial core opening hours of the Inverness Castle Experience will be 9.30am to 5.30pm each day of the year, with the exception of Christmas Day. Bespoke tours and events will be programmed outwith these hours. Once the visitor patterns are known, these hours may be amended.
E18	Admission charges will be applied for entry into the 'Stories of the Highlands' experience in the South Tower and to the 'Ceilidh Rooms' and Tapestry of the Highlands and Islands' and 'Viewing Platform' experiences in the North Tower. One ticket will allow the visitor access to all four experiences between the hours of 9.30am and 5.30pm, with the last admission at 4.30pm. Access to all other areas of the Inverness Castle Experience will be free of charge.
E19	All tickets must be booked and paid for in advance. Bookings will be strongly encouraged online and for programmed dates and times. Between the hours of 9.30am and 4.30pm, bookings can be made for up to 15 people in ten-minute slots, with a maximum number of 90 visitors allowed entry every hour. A maximum of three tour or block bookings will be accepted on any day during the first few months of opening to manage visitor flow.
E20	The new café / restaurant will be in the Link Building and will be open to all visitors from 9.30am to 10.30pm on normal operating days. The café / restaurant and adjoining West Tower will be programmed for 80 and 20 covers respectively. The service will be fully table service to reflect the ambition of delivering a world class high-quality experience for visitors.
E21	The menus will be inspired by the 'Spirit of the Highlands' theme to connect with and continue to expand upon the stories being told throughout the castle and its grounds. Menus will also change seasonally to reflect the best Highland food and drink available throughout the year. The Food and Beverage Operations Manager will be recruited three months in advance of opening to begin work to source suppliers and the Head Chef will be recruited three months in advance of opening to develop the menus.
E22	The first floor of the North Tower will present the Ceilidh Rooms and Bar. The design and offering in the bar on this floor will complement a Highland music theme. There are no kitchen facilities on this floor and thus the food and beverage offering reflects the capacity of the main kitchen in the Link Building. The normal operating hours of the bar will be 9.30am to 10.30pm.

E23	To support and complement the fully serviced food and beverage offerings within the castle, it is proposed that a range of concessions be established with external caterers. 'Grab and Go' outlets will be positioned in key areas of the grounds to provide a high-quality addition to the food and beverage options at the castle. The full list of concessions will be identified as the opening date approaches, but the offering is likely to include coffee pods and other quick snack options. Concession agreements will be devised with each caterer.
E24	The shop in the castle will be on the ground floor of the North Tower, with access from the café / restaurant and directly from the outside. The normal operating hours of the shop will be from 9.30am to 9.30pm.
E25	The product lines will be inspired by the 'Spirit of the Highlands' theme to connect with and continue to expand upon the stories being told throughout the castle and its grounds. The Buyer will be recruited or commissioned six months in advance of opening to begin work to source suppliers and to finalise the layout of the shop and to implement the required ordering and stock control processes.
E26	To complement the retail experience at the castle, a small range of products will be offered for sale online. This offering will be developed once the performance of product lines within the shop is established. The technical capacity to offer an online sales range is being built into the digital assets being developed for the operation and promotion of the castle.
E27	If the request to the National Galleries of Scotland to secure a short-term loan of the Monarch of the Glen is approved, the painting would be displayed in the proposed National Collections Room in the South Tower.
E28	Planning is underway with local promoters to develop proposals for an event to mark the opening of the Inverness Castle Experience.
E29	In addition to the public events to celebrate the opening of the castle, plans are also in train to mark an official opening of the castle, to recognise the contribution of the funders and key stakeholders in delivering the project.
E30	The Events Development Manager will devise a calendar of year-long events to attract locals and visitors to the castle and its grounds, outwith the core visitor experiences. The programme is likely to celebrate well established dates throughout the year such as Burns Night, Valentine's Day, Easter, Halloween, St Andrews Day, Christmas and many others.
E31	The Marketing Plan that sets out the activity required between now and opening the Inverness Castle Experience has been written and is set out in a separate document. The Marketing Plan will be implemented in parallel to the Operating Plan.
E32	The Inverness Castle Experience website was established from late 2023 in order to support the initial promotional objectives within the Marketing Plan. Subsequent iterations will include ticket and merchandise e-Commerce facilities. The website will continue to be updated to support marketing activities, the overall project objectives, and to reflect the evolution of the Inverness Castle Experience, prior to and after opening.
E33	Net Zero Carbon Targets – to be added

E34	The Head of the Inverness Castle Experience will be recruited six months before opening and will work with counterpart colleagues in HLH to develop the key operating plans and documents to ensure a safe and secure environment for castle staff and visitors.
E35	A Risk Register, Risk Profile and Risk Management Plans have been devised for the Inverness Castle Experience to highlight business critical risks that might prevent the successful achievement of the vision and aims of the project. The Register, Profile and Plans are presented to both the Delivery Group and the Project Board on a quarterly basis and updated to reflect the feedback of both groups. The Director of the Inverness Castle Project and the Principal Project Manager review the Risk Register quarterly, with a full review being undertaken annually with the Project's Senior Responsible Officer.
E36	<p>During the capital infrastructure phase of the project the Senior Responsible Officer and Director of the Inverness Castle Project maintain the following reporting schedule:-</p> <ul style="list-style-type: none"> i) Inverness and Highland City Region Deal <ul style="list-style-type: none"> • Annual Report • Bi-annual Performance Report • Dashboard Report – quarterly • Performance Report – quarterly • Programme Board – quarterly • Project Lead Forum - quarterly ii) The Highland Council <ul style="list-style-type: none"> • Economy and Infrastructure Committee – quarterly iii) Inverness Castle Delivery Group – quarterly iv) Inverness Castle Project Board – quarterly v) High Life Highland Charity and Trading Boards – quarterly

Appendix 4

Inverness Castle Risk Register												
No.	Risk	Risk Category	Short description of the Risk	Full Description	Consequences	Mitigations	Post-Mitigated Impact	Post-mitigated Likelihood	Post-mitigated Raw Total Score	Risk Change Since Last Review	Proximity	Risk Owner/Role
4	IC004 - Project contract costs run over budget	Rising Costs	Rising construction costs	Volatility in construction sector continues	Project cannot be completed	Ensure appropriate contingencies and monitor contractor	3 - Medium impact	2 - Medium	6.00	↓	3 - Approaching: next 6 months	Principal Project Manager
5	IC005 - Revenue budget requires Council subsidy	Rising Costs	Revenue estimates not met	Actual expenditure exceeds actual income	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	3 - Medium impact	1 - Low	3.00	→	3 - Approaching: next 6 months	Project Director
7	IC007 - Council's capital funding reduces or is removed	Funding Withdrawal	Loss of THC funding	The Council funding is reduced or removed	Project cannot proceed	Continue stakeholder engagement with Members	4 - Significant impact	1 - Low	4.00	→	1 - Remote	SRO
8	IC008 - Delays during construction and project overrun	Supply Chain Issues and Delays	Impact of Brexit	Shortage of materials and sub contractors	Delay to programme and cost overrun	Ensure appropriate contingencies and monitor contractor	3 - Medium impact	2 - Medium	6.00	→	3 - Approaching: next 6 months	Principal Project Manager
10	IC010 - Development of Energy Centre on Castle Street	Operations	Disruption in construction	Building work on Phase 1 is delayed due to the construction of the Energy Centre on Castle Street	Cost overrun and project delays	Principal Project Manager is responsible for both projects and coordinates programme	2 - Low impact	1 - Low	2.00	→	3 - Approaching: next 6 months	Principal Project Manager
11	IC011 - Failure to recruit sufficient numbers and quality of staff for the new attraction	Operations	Staff shortages	Staff shortages in key operational areas	Inability to present a world class visitor experience	Begin recruitment process in sufficient time in advance of opening	4 - Significant impact	2 - Medium	8.00	→	3 - Approaching: next 6 months	Project Director
12	IC012 - Poor stakeholder and public response to the completed project	Public objections or Appeals	Negative visitor response	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Undertake stakeholder engagement to assess visitor expectation	3 - Medium impact	1 - Low	3.00	→	1 - Remote	Project Director
14	IC014 - Lack of THC Member support outwith Inverness	External Stakeholder Management	Bias against Inverness projects	Resistance to Inverness based project spend by non Inverness Members	Objections to THC capital spend	Undertake stakeholder engagement with Members outside Inverness	3 - Medium impact	1 - Low	3.00	→	3 - Approaching: next 6 months	Project Director
16	IC016 - Public dissatisfaction with the length of the transformation work programme	Reputational Risk	Negative PR	Negative publicity associated with the length of the contract	Lack of public and stakeholder support	Undertake extensive stakeholder engagement throughout the construction period	3 - Medium impact	1 - Low	3.00	→	3 - Approaching: next 6 months	Project Director
17	IC017 - Fire during the renovation works	Premises & Estate Management	Premises destroyed or damaged	New or existing facilities are lost or damaged by fire	Project may be delayed	Ensure close liaison with PS and SRFS to ensure effective security arrangements	5 - Major impact	1 - Low	5.00	→	5 - Imminent: next month	Principal Project Manager
18	IC018 - Loss of key personnel	Human resource - Capacity, Recruitment etc	Staff leave project	Staff turnover is not effectively planned and key project team members are lost	Expertise is lost and project may be delayed	Ensure succession planning to avoid single point of failure	2 - Low impact	1 - Low	2.00	→	3 - Approaching: next 6 months	Project Director
21	IC021 - Visitor numbers are not achieved	Poor Delivery	Overestimated visitor numbers	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	3 - Medium impact	1 - Low	3.00	→	1 - Remote	Project Director
22	IC022 - Revenue performance is poorer than projected	Poor Delivery	Overestimated visitor numbers	Business case projections are not achieved	Long term viability of the facility may be jeopardised	Apply conservative projections for the year one operating budget	3 - Medium impact	1 - Low	3.00	→	1 - Remote	Project Director
28	IC028 - Shortages in labour supply	Supply Chain Issues and Delays	Disruption in construction	Negative impact on availability of sub contractors	Cost overrun and project delays	Factor in potential shortages to the planning process	4 - Significant impact	2 - Medium	8.00	→	2 - Distant: next 12 months	Principal Project Manager
30	IC030 - Inclement weather during construction	Premises & Estate Management	Delays in programme	Bad weather prohibits the contractor from completing planned works on schedule	Cost overrun and project delays	Work with contractor to schedule other work in the event of inclement weather	3 - Medium impact	2 - Medium	6.00	→	3 - Approaching: next 6 months	Principal Project Manager
31	IC031 - Impact of legislative change in tourism	Poor Delivery	Reduced market size	Changing legislation and policy impacts negatively on visitor numbers	Business model and financial sustainability impacted	Monitor legislative changes and consider the impact on the business model	3 - Medium impact	2 - Medium	6.00	→	1 - Remote	Project Director

The Inverness Castle Experience Management Board

Remit	Member	Organisation	Job Title
Remit – To provide strategic guidance and advice to the Inverness Castle Experience Senior Management Team Meeting frequency – quarterly	Cllr Ken Gowans (Chair)	The Highland Council	Chair of Economy and Infrastructure Committee
	Cllr Ian Brown	The Highland Council	Leader of the City of Inverness and Area
	Derek Brown	The Highland Council	Chief Executive
	Malcolm Macleod	The Highland Council	Executive Chief Officer, Infrastructure, Environment & Economy
	Finlay MacDonald	The Highland Council	Head of Property and Facilities Management
	Mark Tate	High Life Highland	Chair of Charity Board
	Michael Boylan	High Life Highland	Chair of Trading Board
	Steve Walsh	High Life Highland	Chief Executive
	Fiona Hampton	High Life Highland	Director of Inverness Castle Project
		High Life Highland	Head of Inverness Castle Experience
		High Life Highland	Visitor Services Manager
		High Life Highland	Food and Beverage Manager
		High Life Highland	Retail Manager
		High Life Highland	Marketing Manager
	Stuart Black	HIE	Chief Executive
	Scottish Government	Tourism Rep	