The Highland Council

Agenda Item	**13**
Report No	**ECI/46/26**

Committee: **Economy and Infrastructure**

Date: **12 November 2026**

Report Title: **Car Parking Policy Update**

Report By: **Assistant Chief Executive - Place**

1 Purpose/Executive Summary

1.1 Following a motion agreed by Members at the 11 December 2025 Council meeting, a review of the Highland Council Parking Strategy is being undertaken.

1.2 A Members Workshop was held on 14 September 2026, and feedback shows strong support for a revised Parking Strategy that delivers greater transparency on parking income and expenditure, improved maintenance of car parks, and clearer links between revenue generation and local investment.

1.3 Members favoured a Highland-wide policy framework with flexibility to reflect local circumstances, generally supporting local reinvestment of parking income while recognising the need to balance strategic priorities. There was limited support for blanket parking charges, with Members emphasising the importance of local consultation, community engagement, and consideration of economic and tourism impacts before changes are introduced.

1.4 Parking Services will use this feedback to inform the revised Strategy, with enhanced reporting already being developed and any proposals with budget implications to be considered through the 2027/28 budget-setting process.

2 Recommendations

2.1 Members are asked to:-

i. **Note** the progress of the Parking Strategy review;

ii. **Agree** that no further changes be made to Council Parking Strategy at present due to the lack of consensus on an approach to a Highland wide approach to parking charges and the financial position of the Parking budget**;**

iii. **Agree** that a further Members workshop is held before the end of 2026 to identify more detailed potential options that could be considered; and

iv. **Agree** that any proposed change to the current Parking Strategy be considered within the context of the budget setting process for 2027/28 and any changes proposed be brought back to a future meeting of this Committee

3 Implications

3.1 **Resource** – The Parking Budget is part of the Roads and Transport Budget within the overall Place Cluster Budget agreed by Members at the Council's Budget Setting Meeting every year. Changes to the Budget are agreed at Budget Setting meeting every year to reflect changes to tariffs or other new charges. The overall budget is currently forecasting a £242k overspend for this financial year. What this in effect means is that the income being received for parking is not meeting the budget targets that have been set by Members over a number of years.

3.2 **Legal** - There are no specific legal implications.

3.3 **Risk** - There are no specific risks.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no specific health and safety implications.

3.5 **Gaelic** - There are no specific Gaelic implications.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is an update report and therefore an impact assessment is not required.

5 Background

5.1 A motion was raised at The Highland Council Committee meeting on 11 December 2025 as follows:-

The Council Parking Strategy (2021) requires revision to improve clarity around income generation and allocation, and investment in carparking infrastructure across Highland. Currently, legacy carparks in Highland are not generating income for their local areas and are instead subsiding parking, enforcement, and other costs for carparks across Highland that do not charge for parking. Car parking revenue is also not currently used to maintain and repair carparks or invest in capital works. Council requests a review of the Parking Strategy, with the review to consider the following: -

- local/strategic revenue allocation following tariff increases in legacy carparks;
- local/strategic revenue allocation from new carparks;
- local/strategic revenue allocation from on-street parking;
- a Highland wide strategy to implement parking tariffs;
- a repair and maintenance strategy for all carparks; and
- a Highland-wide strategy to implement new Pay & Display carparks

Council requests that a Members workshop is held to help develop the Strategy, and that the revised Parking Strategy is reported to the May 2026 meeting of the Economy and Infrastructure Committee.

5.2 A Members workshop was held on Monday 14 September 2026 where the six key discussion points from the motion were discussed and feedback was requested from Members. **Appendix 1** sets out the presentation that was given at the workshop. Nine Members also provided written feedback on the discussion points from the workshop. Feedback received from the workshop is set out below.

5.3 There are a range of different views expressed around the future direction of Parking policy within the Council area. No broad consensus emerged on the future policy, although the budget position was clarified to demonstrate the importance of income within the overall Council budget. In short, the parking services budget is an integral part of the Council's overall budget. The approach to parking policy and strategy has therefore to be considered within the context of the Council's budget, and any further changes now would lead to a potential overspend in the budget for 2026/2027, given the current forecasts. The prudent approach recommended by officers is to further model changes that could possibly be considered and consider these within the budget planning for the next financial year. No further change to existing policy is recommended at this point in advance of the further work and engagement

6 Members Workshop Feedback Summary

6.1 Discussion Point 1 – Local/Strategic Revenue Allocation Following Tariff Increases in Legacy Car Parks:-

Key Themes

- General support for retaining a proportion of increased parking income locally to fund maintenance and improvements.
- Members want greater transparency regarding costs, maintenance expenditure and revenue allocation.
- Concerns that a local/strategic split could reduce funds available for wider Highland priorities and add administrative complexity.
- Calls for clear definitions of what constitutes "local" funding and how allocations would operate.

Overall Position

- Broad support for local benefit from parking income, provided a balanced approach is maintained and reporting is transparent.

6.2 Discussion Point 2 – Local/Strategic Revenue Allocation from New Car Parks:-

Key Themes

- Support for using income from new car parks to fund maintenance and potentially subsidise less profitable facilities.
- Debate over whether parking income should be ring-fenced specifically for parking purposes.
- Desire for a clearer breakdown of operating costs, rates and maintenance expenditure.
- Concern that increased charging may create a perception that the Council is using parking primarily as a revenue source.

Overall Position

- Support for improved maintenance funding, but mixed views on ring-fencing revenue and how income should be distributed.

6.3 Discussion Point 3 – Local/Strategic Revenue Allocation from On-Street Parking:-

Key Themes

- Strong concerns that areas generating significant on-street income are subsidising areas that do not.
- Requests for greater local retention of on-street parking income.
- Calls for investment of surplus parking income into transport, roads and parking infrastructure, in line with legislative requirements.
- Concerns regarding resource levels and enforcement capability.

Overall Position

- Significant interest in greater transparency, local benefit and demonstrable reinvestment of parking income.

6.4 Discussion Point 4 – A Highland-Wide Approach to Parking Tariffs:-

Key Themes

- Support for a consistent Highland-wide framework rather than identical tariffs everywhere.
- Recognition that local circumstances differ and tariff flexibility should remain.
- Suggestions for minimum tariff levels, local variations and flexibility in free parking periods.
- Concerns that a uniform approach could disadvantage certain communities and negatively affect visitor behaviour.

Overall Position

- Support for consistency in policy principles, but strong preference for local flexibility in charging levels.

6.5 Discussion Point 5 – A Repair and Maintenance Strategy for All Car Parks:-

Key Themes

- Wide support for establishing a formal maintenance strategy.
- Strong calls for transparency around maintenance expenditure and condition standards.
- Recognition that heavily used sites require greater maintenance investment.
- Continued debate around whether parking revenue should be directly linked to maintenance funding.

Overall Position

- Strong consensus that maintenance planning and investment should be improved and more visible to communities.

6.6 Discussion Point 6 – A Highland-Wide Strategy for Introducing New Parking Charges:-

Key Themes

- Support for a consistent strategic approach, but opposition to blanket charging across all Highland car parks.
- Strong preference for local decision-making and community consultation before introducing charges.
- Concerns about impacts on local businesses, footfall, parking displacement and enforcement costs.
- Support for digital payment methods and simplified permit arrangements.

Overall Position

- Most respondents favour a locally informed and evidence-based approach rather than mandated charging across all locations.

6.7 Recurring Feedback Priorities are as follows:-

- Greater transparency on car park locations, condition, income and expenditure.
- Improved maintenance of existing car parks, particularly high-profile locations.
- Engagement with local members, communities and Community Councils before changes are introduced.
- Recognition that parking charges should primarily support parking management objectives rather than be viewed solely as an income stream.
- Fair allocation of costs and revenues, with stronger links between income generation and local investment.
- Improved enforcement capability, digital payment solutions and consideration of park-and-ride opportunities.

6.8 Overall Feeback Summary

The consultation responses show a clear preference for local flexibility within a Highland-wide policy framework, increased transparency around parking finances, stronger maintenance commitments, and meaningful community engagement. There is limited support for blanket charging policies, with respondents consistently emphasising the need to consider local economic, tourism and community impacts before introducing changes.

7 Conclusion

7.1 It is recommended that Officers continue to review the workshop results in developing a costed plan and framework to support any changes to the implementation of a parking policy in the context of the budget planning for 2027/28. A commitment has been made to adapt the Local Area Committee report templates to include details of earmarked funds to improve the clarity and detail provided to Members, as well as to consider all car park improvements within the context of the road's capital planning for future years.

7.2 Any changes will therefore need to be reviewed during the 2027/28 budget setting process, and it is recommended that a further Members workshop takes place to identify and suggest any preferred options to consider within that process.

Designation:	Assistant Chief Executive - Place
Date:	6 October 2026
Author:	Ross Bartlett, Principal Traffic Officer
Background Papers:	Off-Street Car Parking Policy Review, 24 October 2019 Parking Strategy, 2 December 2021 Update to Parking Policy, 10 November 2022
Appendices:	Appendix 1 - Presentation given at Member Seminar

Highland Council Parking Policy Review

Developing a sustainable, equitable and locally beneficial Parking Strategy



Scene Setting

- **The Budget Position**

The Parking Budget is part of the Roads and Transport Budget within the overall Place Cluster Budget agreed by Members at the Council's Budget Setting Meeting every year.

Changes to the Budget are agreed at Budget Setting meeting every year to reflect changes to tariffs or other new charges.

The overall budget is currently forecasting a £242k overspend for this financial year.

- **Previous Reports**

Specific Reports have been considered by Committees (most recently Off-Street Car Parking Policy Review 24/10/2019 and Update to Parking Policy 10/11/2022)

Scene Setting

- 249 Off Street Carparks excluding cemeteries
- 32 mandatory payment for all users
- 25 Invitation to Pay Carparks
- 192 carparks with no charging in place

The Council still has the responsibility for these car parks whether they are charged for or not. All of the funding to maintain or invest in them is taken from the overall Roads Revenue or Roads Capital budgets (depending on type of work being undertaken). In addition, external funding (for example Rural Tourism Infrastructure Fund, Community Regeneration Funding etc) can be used as opportunities arise.

Scene Setting

Highland Council agreed a motion as follows at the meeting in December 2025:

The Council Parking Strategy (2021) requires revision to improve clarity around income generation and allocation, and investment in carparking infrastructure across Highland. Currently, legacy carparks in Highland are not generating income for their local areas and are instead subsiding parking, enforcement, and other costs for carparks across Highland that do not charge for parking. Car parking revenue is also not currently used to maintain and repair carparks or invest in capital works. Council requests a review of the Parking Strategy, with the review to consider the following:

- Local/strategic revenue allocation following tariff increases in legacy carparks
- Local/strategic revenue allocation from new carparks
- Local/strategic revenue allocation from on-street parking
- A Highland wide strategy to implement parking tariffs
- A repair and maintenance strategy for all carparks
- A Highland-wide strategy to implement new Pay & Display carparks

Financial Position

- Important to note that any changes proposed by members would require the budget to be adjusted to accommodate these changes. Parking Services already has a challenging parking income budget and in 2025/26 were £376,000 overspent (i.e., the Council was £376,000 short in meeting the parking budget income target).

Income Detail	25/26 Budget	25/26 Actuals
Car Park Dues	-3,233,148	-3,323,455
Invitation to Pay	-365,907	-338,058
Fines	-840,820	-812,796
Monthly Parking Ticket Income	-162,449	-144,427
On Street Parking Income	-473,745	-495,543
Rental Income	-21,349	-21,327
Residents Parking Income	-167,099	-177,019
Rechargeable - Others	-1,038,574	-951,356
Other Misc Income	-21,484	-16,997

Category	25/26 Budget	25/26 Actuals
Employee costs	2,036,010	2,070,674
Premises Related Expenditure	181,675	217,594
Transport Related Expenditure	11,678	16,741
Supplies & Services	511,950	751,433
Third Party Payments	95,000	112,391
Income	-6,324,575	-6,280,980
Total	-3,488,262	-3,112,146

Income Earmarked for Members 2025/26	369,928

- Parking income is used to support Place Cluster and Council budget.

Scene Setting

Questions/Points of Clarification?

Discussion Point 1 - Local/Strategic Revenue Allocation Following Tariff Increases in Legacy Carparks

- The Council motion suggests that consideration be given to any increase in tariffs in legacy car parks being subject to the 50/50 split so that an element of the increase in income can be allocated locally.

- Members are asked to discuss the Pros and Cons of this approach:

Pros, e.g.	Cons, e.g.
More local allocation of funding to be dispersed through Local Committees	This goes against the current Council policy and therefore the overall amount of Income coming into the Council general fund budget will be reduced

Discussion Point 2 – Local/Strategic Revenue Allocation from New Car Parks

- The Motion agreed that this be reviewed. Currently the policy is as follows:
- Current position is 50/50 after costs, where costs are machine maintenance, carpark maintenance plus specific costs i.e., capital loans
- Direct costs to consider adding are business rates and water charges, these are direct costs not currently factored into the maintenance costs
- Members are asked to discuss the Pros and Cons of this approach:

Pros, e.g.	Cons, e.g.
Adding fixed costs like rates better reflects the cost of operating the car parks For the Council.	Would see a reduction in the income allocated to Area Committees.

• Discussion Point 3 – Local/Strategic Revenue Allocation from On Street Parking

- The Motion agreed that this be reviewed. Currently the policy is as follows:

- On street income first must pay for the service as per Section 55 of the Road Traffic Regulation Act 1984 The Parking Service is operated as a centralised service across the Council to allow management and delivery of the service in the most efficient manner. The Parking Service is a cost neutral function of the Council in that all service delivery costs are funded from income the service generates. As per legislation applicable to the powers of decriminalised parking enforcement (DPE) received by Local Authorities, this is a Policy requirement for those granted a statutory instrument. To achieve this all, regulatory income including On Street Pay & Display, Permits and Penalty Charge income directly funds the Service. This is known as "The Parking Account" and is reported to the Scottish Government annually as a statutory requirement. Annually there is little or no surplus from this income and when any is achieved it must first be used to fund the Service.

- Members are asked to discuss the Pros and Cons of this approach, and to outline what changes are sought:

Pros, e.g	Cons, e.g.
Current approach meets our obligation to operate the decriminalised parking enforcement service cost neutral.	Any split would reduce the income for the service and add to the service budget pressures.

Discussion Point 4 – A Highland Wide Approach to Implement Parking Tariffs

- Currently operate a Highland wide minimum charging policy of £3 but what this £3 gets the customer is varied. There are also a selection of carparks with free periods from 15-60 minutes.
- There are season passes available in some areas that allow for a monthly permit for areas including Skye, Lochaber, Inverness for a reduce fee of £11 per month plus RingGo fee.
- Tariffs are currently set in consultation with members to allow for local idiosyncrasies.
- Members are asked to discuss the Pros and Cons of taking this approach:

Pros, e.g	Cons, e.g.
Consistent approach across the whole Council area	Does not allow for local flexibility, free periods for example for dog walkers etc.

• Discussion Point 5 – A Repair and Maintenance Strategy for all Carparks

The established position for many years has been that car park repairs are taken from the Roads Revenue Maintenance Budget or for more significant work from the Roads Capital Budget. Car park income is not ringfenced for car park repairs. For more recent mandatory or invitation to pay car parks a figure of £53 per bay is removed from the income prior to the local/strategic split. This is as per agreed by the Council. All funding for such car parks is no different to that in legacy car parks – the funding is contained within the overall Roads Budgets. This excludes business rates and water charges, which are also covered from the wider Council budget.

Pros, e.g	Cons, e.g.
Each car park (whether mandatory, invitation to pay or legacy) could have a more structured maintenance budget	Funding would have to be earmarked from the roads revenue budget (i.e. there is no additional funding available)

• Discussion Point 6 – A Highland Wide Strategy to Implement Parking Tariffs

Current position is that local Member approval required before invitation to pay or mandatory payment can be installed. The motion asked that there be consideration of a more comprehensive strategy for implementing new car park charges. Three options may be available:

- Option 1 - Status quo - Members take local decisions on parking on a case-by-case basis
- Option 2 - Move all Council Car Parks to mandatory payment or invitation to pay
- Option 3 - Move all Council Car Parks to mandatory payment

Members are asked to discuss the Pros and Cons changing these approaches:

Pros, e.g.	Cons, e.g.
Bringing in payment would reduce Councils budget pressure and increase member allocation.	Public perception of paid for carparks can be low.