

Agenda Item	15b
Report No	RES/33/25

The Highland Council

Committee: Corporate Resources

Date: 28 August 2025

Report Title: Delivery Plan Budget Monitoring & Progress Update – Income Generation

Report By: Assistant Chief Executive – Corporate

1. Purpose/Executive Summary

- 1.1 The Delivery Plan 2024-27 consists of 64 projects/programmes, managed through 6 Portfolio Boards. Each project is reported to a relevant committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 9 May 2024. Exceptions to this general rule may apply when for example circumstances merit a standalone project/programme report to either committee or council. If exceptions apply this report will signpost to where the relevant reporting can be found.
- 1.2 This report provides financial, performance, risk, and general information on the following Delivery Plan Projects/Programme:
- Tourism – Unique Highland Visitor Experiences
 - Tourism – Income from Campervans and Motorhomes (Highland Campervan and Motorhome Scheme)
 - Tourism – Income from Campervans and Motorhomes (Infrastructure Development)
 - Fiscal Flexibilities – Visitor Levy
 - Fiscal Flexibilities – Cruise Ship Passenger Levy
- 1.3 The following Delivery Plan projects are complete although financial output will continue to be monitored through routine Revenue Budget Monitoring:
- Fees and Charges – Charging Policy and Review
 - Fiscal Flexibilities – Council Tax 2nd Homes / Long Term Empty Properties
- 1.4 The content and structure of the report is intended to:
- assist Member scrutiny and performance management;
 - inform decision making and aid continuous improvement; and
 - provide transparency and accessibility.

2. Recommendations

2.1 Members are asked to:

- i. Consider and **note** the progress of each of the Income Generation Projects.

3. Implications

3.1 **Resource:** There are no resource implications arising as a direct consequence of this report. The resource implications of infrastructure developments are detailed in the report.

3.2 **Legal:** This report contributes to the Council's statutory duties to report performance and secure best value in terms of: Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.

3.3 **Risk:** There are no risk implications arising as a direct result of this report. Project/Programme risks are identified via the council risk management process and monitored through the Portfolio Boards and are reported by exception only.

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

3.5 **Gaelic:** There are no implications arising as a direct result of 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 a monitoring and update report and therefore an impact assessment is not required.

5. Tourism – Unique Highland Visitor Experiences

5.1 Storr Centre

The Storr Centre has successfully completed its first full year since opening in July 2024. Over the past 12 months, the Centre has continued to evolve, with regular reviews of its product lines to support both sustainability and income generation. A strong emphasis on working with local suppliers remains central to operations, and several new partnerships have been established since April 2025, further enhancing the Centre's contribution to the local economy.

5.2 Sales data from the Centre's inaugural year is currently being analysed to inform future product selection and pricing strategies. Early insights will help shape a more targeted and responsive retail offering.

5.3 Visitor numbers for the first half of 2025 (January–June), 133,844, show a continued upward trend, with a 2.2% increase compared to the same period in 2024, 131,003. Total visitor numbers for the 2024 calendar year amounted to 293,042.

5.4 The Centre's summer opening hours (10am–5pm, seven days a week) remain in place and continue to meet visitor demand effectively. Feedback has been overwhelmingly positive, particularly in relation to the quality and uniqueness of locally sourced products.

5.5 Online Booking System for Guided Walks

On 29 May 2025, an online booking system for Ranger-Guided Walks was successfully launched, allowing visitors to plan and secure their experiences in advance. This initiative has enhanced visitor engagement by offering structured opportunities to explore the distinctive geology, diverse wildlife, and rich Gaelic heritage of the Old Man of Storr.

A notable highlight of the season so far was a guided walk in June, led by our two Visitor Experience Rangers, for 'Voices from the Heart'—a women's alternative chorus based in Portsmouth, New Hampshire. The group, comprising members from across New Hampshire, Maine, and Massachusetts, provided highly positive feedback on their experience further demonstrating the site's reputation as a destination of international interest and cultural significance.

5.6 Storr Phase 2

As previously reported, the initial phase of the Storr Centre project involved the creation of a retail area, a multi-purpose room, upgraded car parking, and improved public amenities. With around 300,000 visitors each year, there is a growing need to expand and upgrade the facilities to maintain a high-quality experience for all visitors.

5.7 The application to the UK Shared Prosperity Fund (UKSPF) for £550,000 was approved by the Economy & Infrastructure Committee on 29 May 2025, securing funding for the next phase of development.

5.8 Preparatory work for Phase 2 is now underway, including architectural planning and design. A draft project timeline has been developed, with construction expected to begin during winter 2025, subject to planning approvals. Site installation is scheduled for early 2026, with the aim of opening the expanded facilities ahead of Easter 2026.

5.9 Visitor Experiences

As noted in the previous report, six sites are currently being assessed for the potential expansion of visitor services. Glenmorven Associates Ltd has been commissioned to prepare business cases for the following four sites:

- Smoo Cave, Sutherland,
- Duncansby Head, Caithness,
- Chanonry Point, Black Isle,
- Torvean, Inverness.

These feasibility studies are scheduled for completion by November 2025.

5.10 During June and July, Glenmorven Associates Ltd engaged with officers from key Council services to discuss the four sites and share initial development ideas. Meetings were also held with local Members representing each area to explore opportunities and gather local insight, ensuring that community perspectives continue to shape the development process

5.11 On the Isle of Skye, Officers are also progressing and evaluating co-investment funding opportunities for Coral Beach, and there is potential for an opportunity at Neist Point, which is being taken forward with stakeholders to evaluate potential options.

5.12 The Unique Highland Visitor Experiences Project currently has a Green RAG rating.

5.13 Key Milestones & Requests for Change

This project is on track to deliver all milestones. The current priority milestone is to identify and consider options to expand the number of visitor services, using the model for The Storr as the blueprint for future design and implementation. There are no new key milestone changes over the reporting period for this Project.

5.14 Financial Summary

Income from the Storr Centre is currently on target.

i) Savings

Unique Highland Visitor Exp: Income Forecast	M3 25/26	FY 25/26	Annual Target
	Current Forecast	25/26 Forecast	FY 25/26
	£150,000	£150,000	£150,000

ii) Investment

The Project has an approved £1.5m budget for investment in additional visitor services. It is anticipated that this investment will be allocated during 2025/26 once options have been identified and approved.

iii) Mitigations

Mitigations are not currently required for this Project.

5.15 Key Risks

There are no identified changes to the key risks that have been identified for this Project. These are monitored and managed by the Project Board.

5.16 Forward Plan

Over the next reporting period, potential locations for development will continue to be considered as reported at 5.9.

6. Tourism – Highland Campervan and Motorhome Scheme

6.1 Following its launch in July 2024, income generated by the Highland Campervan and Motorhome Scheme continues to perform below the original target. That said, sales are continuing to grow with May experiencing the highest number of monthly sales since the launch of the Scheme.

6.2 On 6 March 2025, the Council approved the budget for financial year 2025/26. The savings target for income from Campervans and Motorhomes has been reprofiled with a £0.250m income targeted over 3 years. The majority of income for this project will be generated through the introduction of motorhome infrastructure as covered in section 7 of this report.

6.3 The Income from Campervans and Motorhomes Project currently has a Red RAG rating as forecast income is lower than target.

6.4 Key Milestones & Requests for Change
The project is on track against all milestones.

6.5 Financial Summary
Income from the Highland Campervan and Motorhome Scheme will not achieve the target for the current financial year.

i) Investment
During the current financial year there is no expected additional investment into the Highland Campervan and Motorhome Scheme as the Council is making best use of existing technologies.

ii) Savings

Campervans/Motorhomes: Income Forecast	M3 25/26	FY 25/26	Annual Target
	Current Forecast	£50,000	25/26 Forecast £50,000

The savings profile reflects income that will be generated by the Highland Campervan and Motorhome Scheme during 2025/26 and the additional income that will be generated through the infrastructure projects outlined in Section 7. As these sites will come online from October 2025, most of the income target will be achieved during FY2026/27.

iii) Mitigations
The Project Board is taking mitigating actions to increase the levels of income generated. Overall performance across the Income Generation Portfolio is expected to offset the shortfall for this Project.

6.6 Key Risks
There are no identified changes to the key risks that have been identified for this Project. These are monitored and managed by the Project Board.

6.7 Forward Plan
Over the next reporting period, Officers will focus Infrastructure Development as set out in section 7 below.

7. Tourism – Infrastructure Development

- 7.1 Informed by the public engagement for the budget 2024/25 and other feedback received, including from CAMpRA and concerns raised by communities, there is an urgent need for service users to have the ability to frequently access wastewater disposal sites, freshwater replenishment and disposal of dry waste. In order to achieve responsible and sustainable tourism and to positively change behaviours, there needs to be greater availability of such services all year round at locations frequently used by those touring the Highlands.
- 7.2 **Wastewater disposal and freshwater infrastructure**
As previously reported several sites have been identified as potential opportunities for developing motorhome wastewater disposal and freshwater infrastructure. Starting in November 2024, work was undertaken during Quarter 4 to progress the necessary preparatory works and approvals. This is a complex area of work with timelines influenced by external approvals which must be in place prior to implementation. Scottish Water has recommended that the Council develops wastewater sites into existing sewage infrastructure to minimise environmental impacts. Shortlisting of potential locations for development is based on providing a high level of geographical coverage with a prioritisation towards areas with high tourist traffic and based on feedback received from local members and communities.
- 7.3 Officers are currently progressing planning permission for the following shortlisted sites, as set out below:
- North Kessock A9 (Northbound),
 - Castletown, Harbour Road Village Carpark,
 - Dunvegan Village Carpark, Skye,
 - Kingussie, Gynack Road (Ardvonie) Carpark.
- 7.4 Following engagement with Area Business Meetings, Pre-Development Enquiries (PDE) have been concluded with Scottish Water for several additional sites. Officers will report back upon the PDE results, ensuring that the selection of sites is determined locally. In discussion with local Members, a site has now been identified for Fort William and work is ongoing to identify potential options for Sutherland.
- 7.5 Officers will continue to engage with Members to provide updates as these works progress. Once each site has the requisite Scottish Water approvals and support from local Members, planning permission will be sought. The aim would be for at least some of these workstreams to be completed by October 2025.

7.6 Dry Waste

Throughout June additional dry waste bin capacity rolled out across 11 high-use carparks, as detailed in the table below. Selected sites were informed by residents and customer feedback and from intelligence gained from a cross-section of staff. The bins' design includes reduced opening apertures to prevent fly tipping.

Carpark	Galvanised 1100 litre bin	Reduced Aperture Lid	Locking Lid Mechanism
Nairn Harbour	1	1	1
Dunnet Head	1	1	1
Dunnet Seadrift	1	1	1
Wick Riverside	1	1	1
Durness Village	2	2	2
Golspie Beach (Shore Street)	1	1	1
Gairloch Harbour	1	1	1
Little Gruinard Bay	2	2	2
Rogie Falls	2	2	2
Kylesku Bridge (East)	1	1	1
Glengarry Viewpoint	1	1	1
Totals	14	14	14

The rollout was supported with a press release with messages designed to reinforce The Highland Council's commitment to responsible and sustainable tourism and the rollout of these bins will help address community concerns regarding dry waste disposal.



7.7 Waste Enclosures

Final designs for waste enclosures have been developed, including how these will be deployed at each of the shortlisted car parks. For sites where there are several bins the intention will be to include smaller enclosures spread out across the site. The enclosures will improve the aesthetics for all users and will provide weather protection to limit the risk of bins tipping over in strong winds and waste spillage. Design priorities will promote the use of sustainable materials and the ease of access for waste collection. The 7 initial sites include:

- Inverness Torvean
- Dunnet Seadrift
- Wick Riverside
- Golspie Beach (Shore Street)
- Ullapool Latheron Lane
- Gairloch Harbour
- Kylesku Bridge (East)

7.8 Key Milestones & Requests for Change

This infrastructure development project is on track against all milestones. The current priority milestones are related to the increase in availability of the wastewater disposal and freshwater replenishment sites, and dry waste facilities.

7.9 Financial Summary

Having regard to existing fees by local operators, fees will be applied to the wastewater disposal and freshwater replenishment sites. An annual income in the region of £0.150m is forecast from 6 Wastewater disposal and freshwater infrastructure sites.

i) Investment

Overall, the Tourism Project has an approved budget of £0.750m for investment. The investment amount will be confirmed in a future report to this Committee for the wastewater, freshwater and dry waste development project.

ii) Mitigations

Additional sites have been identified for potential development should the requisite approvals not be granted for the proposed infrastructure development sites set.

7.10 Key Risks

There are no identified changes to the key risks that have been identified for this Project. These are monitored and managed by the Project Board.

7.11 Forward Plan

Work will continue the projects forward as outlined in section 7.

8. Fiscal Flexibilities

8.1 The comprehensive review of Fees & Charges is complete and the outturn of £56.155 exceeded the 2024/25 budget by £3.069m.

8.2 The Council Tax premium for Second Homes is implemented enabling this project to be completed. Officers continue to undertake weekly monitoring. The outturn of £5.8m exceeded the 2024/25 budget of £5.3m.

8.3 The Visitor Levy (Scotland) Act 2024 provides local authorities with discretionary powers to implement a visitor levy for their area. Should Members decide to implement a Visitor Levy for Highland, a statutory 18-month implementation period is intended to provide time for accommodation providers and the Council to plan for implementation. Statutory public consultation concluded on 31 March 2025 with 4,031 responses received. Work is ongoing to analyse the feedback received and meetings of the Visitor Levy Reference Group continue.

8.4 The Cruise Ship Passenger Levy Project currently has a Green RAG rating. The Project will not begin to generate income until such time as legislation is in force, and the Council, having due regard to the legislative processes to consult and to plan, etc, formally decides to implement a Cruise Ship Passenger Levy.

8.5 The RAG rating for these 2 projects is Green.

8.6 Key Milestones & Requests for Change

The project is on track against all milestones. There are no new key milestone changes over the reporting period for this Project.

8.7 Financial Summary

There are no assumptions included in the Medium-Term Financial Plan 2025/26-2027/28 for Visitor Levy income or other potential Levies. Over the next reporting period, the main priority will be to analyse the responses to the statutory public consultation and to continue engagement with the Visitor Levy Reference Group.

8.8 Key Risks

There are no identified changes to the key risks that have been identified for this Project.

8.9 Forward Plan

Over the next reporting period, the main priority will be to continue to analyse the responses to the statutory public consultation and continue engagement with stakeholders.

Designation: Assistant Chief Executive – Corporate

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