

Agenda Item	15.a
Report No	RES/45/25

The Highland Council

Committee: Corporate Resources

Date: 20 November 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 57 projects/programmes, managed through 6 Portfolio Boards. During live running and up to project closure, each project is reported to a relevant committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 14 May 2025. Exceptions to this 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).
- 1.3 The following Delivery Plan project is complete although financial output will continue to be monitored through Revenue Budget Monitoring of Council Tax income:
 - 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

Project: Unique Highland Visitor Experiences

R

A

G

C

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

5.3 Storr Centre

Over the past 15 months, the Centre has continued to develop with regular reviews of its product range to support both sustainability and income generation. A strong focus on working with local suppliers remains central to our approach, with several new partnerships established, further strengthening the Storr Centre's contribution to the local economy and local employments. Additional expansion of the products showcased at The Storr is planned for the next reporting period.

- 5.4 Visitor numbers continue to show an upward trend, with a 6% increase compared to the same period in 2024. It is estimated that the total number of visitors in 2025 may exceed 300,000 compared with 293,000 in 2024.
- 5.5 The Centre transitioned to winter hours from 27 October 2025, which are 10:00am to 3:30pm, Monday to Saturday. Feedback continues to be significantly positive, particularly in relation to the quality and variety of locally sourced products and the welcoming, knowledgeable, and person-focused team.
- 5.6 Guided Walks continue to receive excellent feedback, with positive reviews on platforms such as Google and TripAdvisor.
- 5.7 **Storr Phase 2**
As previously reported, the initial phase of The Storr project delivered a retail space, a multi-purpose room, upgraded car parking, and improved public amenities. With annual visitors potentially exceeding 300,000 during 2025, there is a demand-led need to expand and enhance the facilities to maintain a high-quality visitor experience.
- 5.8 Following the successful application to the UK Shared Prosperity Fund for £0.550m to the Economy & Infrastructure Committee on 29 May 2025, Phase 2 will build on the success of the initial project by further enhancing services for both visitors and the local community, and support for local businesses and associated employments.
- 5.9 Preparatory work is underway for Phase 2, including architectural planning and design, with planning permission being granted on 5 September 2025 for an extension to the unit. The additional retail space will increase stock capacity, create new opportunities for local suppliers, and offer greater variety for visitors. The extension to the building will also provide opportunities to extend wedding experiences, with increased capacity for up to 40 guests.
- 5.10 A project timeline has been developed, with construction expected to begin in winter 2025. Unit installation is scheduled to be complete by April 2026, with the expanded facilities anticipated to open in May 2026.
- 5.11 An e-commerce platform has recently launched and is accessible via The Storr website (thestorr.com). The online store enables year-round 24/7 access to locally produced products.
- 5.12 **Maintenance, Management and Presence: Visitor Experience Rangers**
The role of our Visitor Experience Rangers at the Old Man of Storr is not only about maintenance and management, but also about presence. Rangers help to protect the landscape and guide visitors to the Old Man of Storr. Our Rangers are caretakers of the hill, and storytellers who bring Skye's culture and history to life. Much of the work involves being on the hill, engaging directly with visitors, offering advice, checking conditions, and ensuring that all our visitors feel welcome, safe, and connected to the land.
- 5.13 There was a noticeable rise in visitor numbers during September and October 2025 when compared with the same period in 2024, indicating slower season tourism. Some visitors are choosing to visit in these later months rather than during peak season, helping to extend the tourism season in Skye.

- 5.14 The Visitor Experience Rangers have been producing videos to highlight key plant species and their ecological and cultural significance, which have reached 7,882 views so far.
- 5.15 **Visitor Experiences**
Glenmorven Associates Ltd, which conducted the original feasibility study for The Storr on behalf of The Highland Council, was commissioned to complete outline business cases for the following four sites:
- Chanonry Point, Black Isle;
 - Duncansby Head, Caithness;
 - Smoo Cave, Sutherland; and
 - Torvean, Inverness.
- 5.16 Site visits were undertaken by Officers and Glenmorven Associates Ltd and engagement was undertaken and thereafter Officers engaged with local Members.
- 5.17 A final report has recently been submitted by Glenmorven Associates Ltd which is currently being reviewed by Officers. It is intended that the findings will be discussed with Members at the Redesign Board Workshop on 20 November 2025 to seek views and consider next steps.
- 5.18 Officers are continuing to assess opportunities for Coral Beach and Neist Point on the Isle of Skye. Engagement with stakeholders is ongoing whilst Officers explore the viable options.
- 5.19 **Key Milestones & Requests for Change**

The project remains on track to deliver all planned milestones and the current priority is to identify and evaluate options to expand visitor services. There have been no changes to key milestones during this reporting period.

<i>Starts Apr 24 / Completes Sep 24</i>	Unique Highland Visitor Exp.: Identify shortlisted sites	M9 24/25 Completed
<i>Starts Nov 24 / Completes July 25</i>	Unique Highland Visitor Exp: Develop infrastructure and commercialisation	M4 25/26 Completed
<i>Starts Jan 25/ Completes Oct 25</i>	Unique Highland Visitor Exp: Assigned consultants develop Business Cases for 4 potential UVE sites	M6 25/26 Completed
<i>Starts Feb 25 / Completes May 25</i>	Unique Highland Visitor Exp: Identify Storr baseline physical retail sales for FY24/25	M3 25/26 Completed
<i>Starts Oct 25/ Completes Dec 25</i>	Unique Highland Visitor Exp: Identify UVE Business Cases to progress	M6 25/26 On Target
<i>Starts Jul 25 / Completes Oct 25</i>	Unique Highland Visitor Exp: Detailed assessment of Year 1 [Storr] FY25/26 onwards	M4 25/26 Completed
<i>Starts Feb 26 / Completes May 26</i>	Unique Highland Visitor Exp: Identify Storr online retail baseline sales for FY25/26	
<i>Starts Apr 26 / Completes Jul 26</i>	Unique Highland Visitor Exp: Year 2 site assessments FY26/27 onwards	
<i>Starts Jun 28 / Completes Sep 28</i>	Unique Highland Visitor Exp: UVE - Project End Milestone	M2 25/26

5.20 Financial Summary

i) Income

£	Unique Highland Visitor Exp: Income Forecast - FY 25-26	£ 150,000
---	---	-----------

ii) Investment

£	Unique Highland Visitor Exp: Investment Forecast : EMR	£ 1,500,000
---	--	-------------

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.

5.21 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.

5.22 Forward Plan

The key activities for the next 2 quarters (2025/26 Q3 and Q4) are as follows:

Over the next reporting period, potential unique visitor experience locations for development will be considered as referenced in paragraph 5.12 to this report.

6. Tourism – Highland Campervan and Motorhome Scheme

6.1 The Campervan and Motorhome project comprises of 2 distinct workstreams. These are (a) The Highland Campervan and Motorhome Scheme and (b) Infrastructure.

6.2 The Council's approved Medium Term Financial Plan 2025/26-2027/28 included a reprofiled income target of £0.250m over 3 years. Most of the income for this overall project will be generated through the introduction of motorhome infrastructure as covered in section 7 of this report.

6.3 The Highland Campervan and Motorhome Scheme - Overall RAG

Project: Campervans/Motorhomes	R	●
	A	○
	G	○
	C	○

6.4 The Highland Campervans and Motorhomes Scheme has a Red RAG rating as of Q2 2025/26 as income generated continues to perform below the original target.

6.5 Key Milestones & Requests for Change

The project is on track against all milestones.

<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Kingussie motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Kessock (A9) Northbound motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Dunvegan (Skye) motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Castletown motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts Feb 26 / Completes May 26</i>	Campervans/Motorhomes: Identify Motorhome Wastewater baseline sales for FY25/26	
<i>Starts Jun 27 / Completes Sep 27</i>	Campervans/Motorhomes: Project end milestone	

6.6 Financial Summary

i) Income

	Campervans/ Motorhomes: Income Forecast 25/26	£ 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 to this report. As these Infrastructure sites will come online during a period of low tourism numbers, most of the income target will be achieved during financial year 2026/27.

ii) 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.

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.

6.7 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.

6.8 Forward Plan

The key activities for the next 2 quarters (2025/26 Q3 and Q4) are as follows:

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 2024/25 budget and other feedback received, including from communities, there is an urgent need for frequent access to wastewater disposal sites, freshwater replenishment and disposal of dry waste. 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. Extensive work has been undertaken 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 and in addition, shortlisting of potential development locations is based on providing a high level of geographical coverage with a prioritisation towards areas with high tourist traffic, while taking cognisance of feedback received from local members and communities.

- 7.3 Officers are currently progressing the required planning permissions and Scottish Water design approvals for the following shortlisted sites, as set out below:

- North Kessock A9 (Northbound);
- Castletown, Harbour Road Village Carpark;
- Dunvegan Village Carpark, Skye;
- Fort William An Aird Carpark;
- Kingussie, Gynack Road (Ardvonie) Carpark.

- 7.4 Procurement activities are in progress to identify suitable suppliers for the delivery of each site. Upon appointment a plan will be established for each site to identify construction dates and final Scottish Water inspections, necessary before each site can become operational.

7.5 Waste Enclosures

Procurement activities are ongoing to identify suitable suppliers for the delivery of waste enclosures. For sites where there are several bins the intention will be to include smaller enclosures spread out across the site. Suppliers are currently being appointed, and it is expected that most sites will be complete by the end of this year. 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 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; and
- Kylesku Bridge (East).

7.6 Key Milestones & Requests for Change

Infrastructure development projects are 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.

<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Kingussie motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Kessock (A9) Northbound motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Dunvegan (Skye) motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts May 25/ Completes Dec 25</i>	Campervans/Motorhomes: Castletown motorhome wastewater infrastructure operational	M6 25/26 On Target
<i>Starts Feb 26 / Completes May 26</i>	Campervans/Motorhomes: Identify Motorhome Wastewater baseline sales for FY25/26	
<i>Starts Jun 27 / Completes Sep 27</i>	Campervans/Motorhomes: Project end milestone	

7.7 Financial Summary

Having regard to existing fees by local operators, fees will be applied to the wastewater disposal and freshwater replenishment sites.

i) Investment

Overall, the Tourism Project has an approved investment budget of £0.750m. Spend during the current financial year is currently forecast to be £0.477m, comprising £0.350m for 6 wastewater sites, £0.067m to support the public conveniences project in Ullapool which is being led by the Chief Officer – Operations & Maintenance, and £0.060m for dry waste bins and enclosures.

ii) Mitigations

Additional sites have been identified for potential development if the requisite approvals are not granted for the proposed infrastructure development sites detailed in this report.

7.8 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.

7.9 Forward Plan

Work continues to take obtain the requisite approvals and permissions, and to appoint specialist contractors to enable the infrastructure to be implemented.

Designation: Assistant Chief Executive – Corporate

Date: 3 November 2025

Author: Sheila Armstrong, Chief Officer – Revenues & Commercialisation
Amy Smith, Project Manager (Income Generation)
Alister MacBain, Business Management Analyst (Income Generation)
Jonathan Scott, Project Manager (Income Generation)