

Agenda Item	18.b
Report No	RES/17/26

The Highland Council

Committee: Corporate Resources

Date: 19 March 2026

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. 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 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).

1.3 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. Scrutinise 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



5.2 The Unique Highland Visitor Experiences project currently has a green RAG rating.

5.3 The Storr Centre

The Storr Centre has continued to evolve, carrying out reviews of its product range to enhance both sustainability and income generation. The commitment to collaborating with local suppliers remains a key priority, and several new

partnerships have been formed, further strengthening The Storr Centre's role in supporting community wealth building. The launch of these new products and partnerships will coincide with the opening of Phase 2 of the retail space.

- 5.4 During winter trading at The Storr, hot drinks continued to be a welcome comfort for walkers coming down from the hill, with coffee being the best-selling item in December. Customers have responded positively to the quality and variety of locally sourced branded products.
- 5.5 E-commerce was launched in October 2025 for UK customers, with shipping to the USA due to commence in February 2026. The online store (via thestorr.com) provides 24/7 access, allowing customers from across the United Kingdom to purchase merchandise. Interest from international customers has been strong, with enquiries from both the USA and Australia received via the website and Instagram (the.storr). This engagement has been valuable in understanding demand and enabled early testing of the international shipping process.
- 5.6 As previously outlined, the initial phase of the project delivered a new retail space, a multi-purpose room, upgraded car parking, and enhanced public amenities. As demonstrated by the high visitor numbers, there is a clear need to expand and improve facilities in order to sustain a high-quality visitor experience. Phase 2 will build on the achievements of the initial project.
- 5.7 This next phase will further enhance services for visitors and the local community, while strengthening support for local businesses and employment opportunities. The extension includes an increased retail space and a larger multi-purpose room, which will serve as a function space for weddings at The Storr, as well as for art exhibitions and community use. Phase 2 is fully funded through a successful application to the UK Shared Prosperity Fund.
- 5.8 Work on Phase 2 continues at pace, with planning permission granted in September 2025 and the building warrant application submitted in December 2025. Fabrication of the building has begun off-site in Barra by construction firm Modular West, who were awarded the build contract. A project timeline has been established, with the extension scheduled to open to the public in May 2026.
- 5.9 Visitor numbers for 2025 showed an upward trend compared with 2024, increasing by 4.5%. More than 300,000 visitors passed the counters on the path throughout the year, although actual footfall at the site is likely to have been significantly higher. Feedback and reviews on TripAdvisor and Google remain positive, highlighting the work of the team, the path network, and overall site provision and condition.
- 5.10 At its meeting on 16 February 2026, the Isle of Skye & Raasay Area Committee approved a £1 increase to parking tariffs at The Old Man of Storr, effective 1 April 2026. The current charges of £5 for up to 6 hours and £7 for up to 12 hours will rise to £6 and £8 respectively, with the local parking season ticket remaining unchanged at £11 per month. This £1 adjustment reflects significant investment in paths, toilets, motorhome waste provision, and on-site visitor management, ensuring the site remains safe, accessible, and financially sustainable. The report is available at this link, [16 Feb 2026 \(Item 9\)](#).

5.11 Work is ongoing to enhance parking management at The Storr, including plans to expand overall parking capacity and enhance roadside safety. Clearer signage and on-site information will also be implemented to promote safe and responsible parking behaviours.

5.12 **Visitor Experience Rangers: The Old Man of Storr**

The Visitor Experience Rangers play a vital role in caring for the site and supporting the thousands of people who visit the Old Man of Storr each year. Their work combines practical maintenance with on-the-hill engagement, helping visitors make safe decisions, sharing local knowledge, and protecting this sensitive and iconic landscape.

Building on the success noted in the previous report, key updates from late 2025 include:

- Extensive path and environmental maintenance, including drainage clearance, washout repairs, and path levelling during a prolonged period of freeze-thaw conditions and heavy rainfall.
- Direct responses to incidents, including support for minor injuries and assisting lost walkers alongside Skye Mountain Rescue Team (MRT). Throughout 2025, Rangers prevented 41 potential MRT callouts through proactive engagement, demonstrating the significant value of an on-site presence.
- Continued winter environmental and biodiversity monitoring, with native trees in the Lower Site of special scientific interest (SSSI) showing good resilience to frost and storms. Reduced visitor pressure and protective barriers contributed to lower impacts on the Upper SSSI.
- Ongoing informal on-hill engagement, focusing on winter safety, clothing and equipment guidance, and helping visitors make informed decisions in changing weather conditions.

5.13 **Unique Highland Visitor Experiences**

As previously reported, a feasibility study was undertaken assessing the following four sites:

- Chanonry Point
- Duncansby Head
- Smoo Cave
- Torvean

5.14 Following site visits, engagement sessions, and subsequent discussions with local Members, the final report was reviewed by Officers. The Redesign Board Workshop on 20 November 2025 was extremely helpful and enabled Officers to gather Members' views about each site and the critical success factors.

- 5.15 The current priority is to identify and evaluate options to expand visitor services. Incorporating Redesign Board input, including the critical success factors, a Strategic Outline Case, which details an evaluation of the sites. This will be considered at the Redesign Board on 19 March 2026.
- 5.16 Officers are exploring opportunities at Nybster Broch in Caithness are also continuing to assess opportunities at Coral Beach and Neist Point on the Isle of Skye. Engagement with stakeholders remains ongoing as viable development options are explored.
- 5.17 Key Milestones & Requests for Change

Milestones

<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 Mar 26</i>	Unique Highland Visitor Exp: Identify UVE Business Cases to progress	M9 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	

5.18 Financial Summary

i) Income

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

	Unique Highland Visitor Exp: Investment Forecast : EMR	£ 1,489,911
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The Project has an approved £1.5m budget for investment in additional visitor services. It is anticipated that this investment will be allocated during 2026/27 once options have been identified and approved.

iii) Mitigations

Mitigations are not currently required for this Project.

5.19 Key Risks

Unique Highland Visitor Exp.: Low uptake of Unique Visitor Experiences	6	Tolerate
Unique Highland Visitor Exp.: Low Partner/Community Support at the Storr and future UVE sites	9	Tolerate
Unique Highland Visitor Exp.: Regulatory Requirements	9	Tolerate
Unique Highland Visitor Exp.: Land Ownership	6	Tolerate

5.20 Forward Plan

The key activities for the next 2 quarters (2025/26 Q4 and 2026/27 Q1) are as follows:

Business Cases will establish which of the potential unique visitor experience destinations should be progressed for development as referenced in paragraph 5.16 to this report.

6. Tourism – Campervans / Motorhomes

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 current milestone dates for the sites at Dunvegan, Kingussie and Kessock A9 includes being operational by July 2026. Further work is also being taken forward, with local Members, considering the provision of this service in Fort William (An Aird).

6.6 Financial Summary

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) Income

As reported elsewhere in this report, the income will mainly be derived from the infrastructure projects and these are outlined later in this report.

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

Campervans/Motorhomes: Low uptake of initiatives	12	Tolerate
Campervans/Motorhomes: Low Partner/Community Support for initiatives	9	Tolerate
Campervans/Motorhomes: Regulatory Requirements for initiatives	9	Tolerate
Campervans/Motorhomes: Land Ownership for initiatives	4	Treat

6.8 Forward Plan

The key activities for the next 2 quarters (2025/26 Q4 and 2026/27 Q1) are as follows:

A marketing campaign, using existing resources, will be designed for the Campervan and Motorhome Scheme and to address key messaging around disposal of motorhome waste in advance of the main 2026 tourism season.

7. Tourism – Infrastructure Development

7.1 Informed by public engagement and other feedback received, including from communities, there is an identified 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 As previously reported, Officers are currently progressing the required planning permissions and Scottish Water design approvals for shortlisted sites, including:

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

7.3 Procurement activities are ongoing to identify suitable suppliers for the delivery of each site. Unfortunately, the initial procurement process did not result in any appropriate suppliers being identified. The second procurement process is underway with the aim of appointing the approved supplier(s) will be appointed during March 2026. Once appointed, a plan is already established for each site to identify construction dates and final Scottish Water inspections, necessary before each site can become operational.

7.4 Officers have worked with the Outdoor Access Team to understand key findings during the 2025 tourism season. Their findings were published in a report to the Economy and Infrastructure Committee on 12 February 2026. One of the key findings relates to the increasing incidences of blackwater waste disposal linked to growing numbers of visiting campervan and motorhomes. The addition of wastewater infrastructure at the sites indicated in paragraph 7.2 above, along with an additional development at Ullapool Latheron Lane, will significantly increase the overall capacity for wastewater disposal across the Highlands.

7.5 Key Milestones & Requests for Change

Officers are anticipating that these sites could begin generating income from July 2026. The current priority milestones are related to the increase in availability of the wastewater disposal and freshwater replenishment sites, and dry waste facilities.

7.6 Financial Summary

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:

- £0.350m for the aforementioned wastewater sites;
- £0.067m to support the public conveniences project in Ullapool
- £0.060m for dry waste bins and enclosures.

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

Some 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. As with the approach taken for the already identified sites, engagement with local Members will be undertaken throughout the process for new sites.

As reported to Members at the last Committee, additional dry waste bins have been provided across Highland to support responsible tourism. Enclosures at the following sites will also be provided during Quarter 1 of 2026/27.

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

7.7 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.

Campervans/Motorhomes: Low uptake of initiatives	12	Tolerate
Campervans/Motorhomes: Low Partner/Community Support for initiatives	9	Tolerate
Campervans/Motorhomes: Regulatory Requirements for initiatives	9	Tolerate
Campervans/Motorhomes: Land Ownership for initiatives	4	Treat

7.8 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: 19 February 2026

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