Agenda Item	15.b
Report No	RES/42/26

The Highland Council

Committee:	**Corporate Resources**
Date:	**27 August 2026**
Report Title:	**Delivery Plan Budget Monitoring & Progress update – Income Generation – Q1 26/27**
Report By:	**Assistant Chief Executive - Corporate**

1. Purpose/Executive Summary

1.1 The Delivery Plan 2024-27 consists of 66 projects/programmes, managed through 6 Portfolio Boards. This number will fluctuate as future work is developed, current projects close or work is restructured in order to improve an approach for successful delivery. 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 2026. 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 project/programme updates provided in this report.

3. Implications

3.1 **Resource**
There are no resource implications arising as a direct result of this report. Any resource implications (if any) for delivery plan projects or programmes will be detailed in the Financials sections of each of the project/programme updates provided below.

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.

3.4 **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.

3.5 **Health and Safety** (risks arising from changes to plant, equipment, process, or people)

3.6 **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.

5.0 Unique Highland Visitor Experiences

5.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked.

Workstream: Tourism

Portfolio: Income Generation

Portfolio Sponsor: CO Revenues & Commercialisation

Project: Unique Highland Visitor Experiences **G**

Building on The Storr development, we will create unique visitor experiences across the Highland area.

ACTIVITY:
Building on The Storr development, we will create unique Highland visitor experiences across the Highland area, to enable more effective access to tourist sites, with amenity, parking and retail outlets built around the unique characteristics of the site.

Project Elements:
- Identification and development of sites.
- Community engagement.
- Merchandise development.
- Liaison with partners.
- Financial / Risk monitoring.
- Infrastructure Reinvestment.

MILESTONES		CURRENT STATUS
Starts Apr 26 / Completes Jul 26	Unique Highland Visitor Exp: Year 2 site assessments FY26/27 onwards	M2 26/27 Completed
Starts Feb 26 / Completes Aug 26	Unique Highland Visitor Exp: Business Cases for Two UVE sites	M3 26/27 On Target
Starts Jun 26 / Completes Aug 26	Unique Highland Visitor Exp: Next stage Milestones & Measures to be assessed & implemented	M3 26/27 On Target
Starts Jun 28 / Completes Sep 28	Unique Highland Visitor Exp: UVE - Project End Milestone	

5.1.1 Overall Project RAG

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

5.1.2 Milestones

In addition to the completion of Phase 2 of the Storr Project, work continues through the Redesign Board on future UVE sites, including at Smoo Cave where the Redesign Board later today will consider the final business case.

5.2 The Storr

5.2.1 During Q1, The Storr Centre continued to strengthen its retail offer, with ongoing reviews of the product range to support both visitor experience and income generation. Collaboration with local suppliers remained a key priority, and work progressed on introducing new products and partnerships that will complement the expanded retail space being delivered through Phase 2. These partnerships continue to reinforce the Centre's contribution to community wealth building and support opportunities for local businesses.

5.2.2 E-commerce sales remained positive throughout the start of the year. Online sales continued across both the UK and USA markets via thestorr.com. Interest from international customers remains strong, with orders and enquiries received from a range of overseas markets. A focus remains on adding products available in-store to the online range, and for shipping to Canda to be launched in Q2.

5.2.3 Phase 2 was developed to enhance the visitor experience while creating additional economic opportunities for the local community. The extension to retail was completed in Q1, with very minor residual works completed in Q2. The expansion to the retail space enables The Storr Centre to stock a wider range of local suppliers and for more products to be showcased, while also supporting additional employment opportunities.

The multi-purpose room has been designed for weddings, community events, exhibitions, and other functions. It is expected that the room will be available for events from Q2. The project was funded through the UK Shared Prosperity Fund, and the official opening of Phase 2 will take place on 12 August 2026.

5.2.4 As previously reported, the £1 increase in parking tariffs approved by the Isle of Skye and Raasay Area Committee came into effect on 1 April 2026. Additional income generated through parking charges continues to support investment in the path network, public toilets, motorhome waste disposal facilities, and on-site visitor management. These investments help protect the site, maintain visitor safety, and ensure a high-quality experience for residents and visitors alike.

5.2.5 Work also continued during Q1 to improve parking management at The Storr. Plans to increase parking capacity and enhance roadside safety progressed, alongside proposals to encourage safe and responsible parking behaviour and support more effective traffic management across the site.

5.3 Visitor Experience Rangers (VERs): The Old Man of Storr

5.3.1 Managing the environment and delivering improvements within available resources are regarded as key priorities of the Project. Visitor numbers increased through the reporting period including during the periods of settled weather. April brought the expected spring high levels of tourist footfall and increased numbers of family groups. Skye trail walker numbers have increased with a regular flow passing through the Storr.

5.3.2 Despite the high visitor numbers, monitoring of set locations found that, on average, just 2.37% of visitors left the designated path during survey periods. While this figure was slightly influenced by one particularly busy day with higher levels of off path activity, it remained encouragingly low considering the volume of people visiting the site throughout the summer. The results suggest that recent interventions are continuing to have a positive impact on visitor behaviour and the protection of sensitive habitats.

5.3.3 There has been an increasing number of visitors exploring beyond the main path network. VERs therefore expanded patrol routes to regularly include wider sections of the site. As expected during the busy season, first aid incidents and Mountain Rescue callouts increased alongside visitor numbers. Two separate lost walkers were located and safely escorted in poor weather before a full Mountain Rescue response became necessary, highlighting the value of early intervention and regular patrols across the wider site.

5.3.4 A wet period combined with high footfall created significant wear pressure on several sections of path and verge throughout the site. Several waterbars were installed throughout the period, successfully continuing the long-standing tradition of moving large rocks from one place to another more useful place. June brought an extended period of exceptionally unsettled weather, with repeated thunderstorms and intense rainfall affecting much of Skye. These heavy downpours quickly exposed weaknesses in several drainage features, resulting in localised washouts and requiring reactive repairs. While the recently installed drainage features generally performed well, the intensity of rainfall highlighted a number of locations where further improvements will be beneficial ahead of the autumn and winter months.

5.3.5 Q1 brought a noticeable increase in wildlife and plant activity across the Storr, with the site feeling alive during calmer weather periods. Longer daylight hours and extended VER patrols provided excellent opportunities to monitor species, observe seasonal changes and assess the condition of habitats across both the Upper and Lower SSSI.

As the year progresses, the Old Man of Storr continues to experience both the rewards and pressures that come with its growing international popularity. The hill remains busy but there are clear signs that ongoing VER presence, visitor engagement, and conservation work are making a positive difference across the site. This season has highlighted the importance of continual maintenance and proactive environmental management during periods of intense visitor pressure.

5.4 Unique Highland Visitor Experiences

5.4.1 As previously reported, a Strategic Outline Case (SOC) was approved by the Income Generation Board on 25th February 2026 in respect of possible further sites in Highland. This incorporated feedback and views from the Redesign Board, including the weighting of critical success factors, and provided a detailed evaluation of the opportunities under consideration. Work continues with Members to identify additional UVEs across Highland, with current efforts focused on advancing opportunities at Smoo Cave. The Full Business Case for Smoo Cave will be presented to the Redesign Board on 27th August.

5.4.2 As previously reported Officers within the Commercialisation team are continuing to lead and explore opportunities at Coral Beach on the Isle of Skye in partnership with the Scottish Government. While the site has been resurfaced to provide a modern parking facility the Amenities team is continuing to explore options for further developing the site with the addition of a Public Convenience facility. Engagement with stakeholders remains ongoing as viable development options are explored.

5.5 Key Risks & Measures of Success

	INVESTMENT	CURRENT STATUS
£	Unique Highland Visitor Exp: Investment Forecast : EMR (Current FY Forecast)	£ 1,023,522
	MEASURES OF SUCCESS	**CURRENT STATUS**
£	Unique Highland Visitor Exp: Income Forecast - FY 25-29 (Current FY Forecast)	£ 150,000

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
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

5.5.1 Financial Summary

Savings

£	Unique Highland Visitor Exp: Income Forecast - FY 25-29 (Current FY Forecast)	**£ 150,000**

5.5.2 Investment

The Project has an approved £1.5m budget for investment in additional visitor services.

5.5.3 Mitigations

Mitigations are not currently required for this Project.

5.6 Forward Plan

The key activities for the next 2 Quarters (2026/27 Q2 and Q3) are as follows:

Key activities will focus upon embedding Phase 2 of the Storr development and achieving approval of the Full Business Case for Smoo Cave.

6.0 Tourism – Income from Campervans and Motorhomes (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 an 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 Overall Project RAG & Milestones

Progress on the overall Project RAG and Key Project Milestones is shown below.

Workstream: Tourism

Portfolio: Income Generation

Portfolio Sponsor: CO Revenues & Commercialisation

Project: Campervans/Motorhomes R

We will develop voluntary scheme charge so tourists can contribute to the maintenance of roads and other amenities.

ACTIVITY:
Develop voluntary scheme charge so tourists can contribute to the maintenance of roads and other amenities – and create funds to enhance existing campsite service provision and increase the number of council-owned sites.

PROJECT ELEMENTS:
- Targeted media and marketing campaign.
- Scheme development.
- Application development / purchase / benefit.
- Liaison with partners.
- Financial / Risk monitoring.
- Infrastructure Reinvestment from surplus income.

MILESTONES		CURRENT STATUS
Starts Feb 26/ Completes Mar 27	Campervans/Motorhomes: Identify Motorhome Wastewater baseline sales for FY26/27	M3 26/27 On Target
Starts May 25/ Completes Dec 26	Campervans/Motorhomes:Kingussie motorhome wastewater infrastructure operational	M3 26/27 On Target
Starts May 25/ Completes Oct 26	Campervans/Motorhomes:Kessock (A9) Northbound motorhome wastewater infrastructure operational	M3 26/27 On Target
Starts May 25/ Completes Dec 26	Campervans/Motorhomes:Dunvegan (Skye) motorhome wastewater infrastructure operational	M3 26/27 On Target
Starts May 25/ Completes Nov 26	Campervans/Motorhomes:Castletown motorhome wastewater infrastructure operational	M3 26/27 On Target
Starts Jun 27 / Completes Sep 27	Campervans/Motorhomes: Project end milestone	

6.3.1 Overall Project RAG

The Highland Campervans and Motorhomes Scheme has a Red RAG rating as income generated performs below the original target.

6.3.2 Milestones

Following the incorporation of design changes, as outlined in Section 7, the current milestone dates reflect the sites at Dunvegan, Kingussie and Kessock A9 becoming operational by Q3. Further work is also being taken forward, with local Members, considering the provision of this service in Fort William (An Aird).

6.4 Throughout the 2026 main tourist season, advertising of the Highland Campervan and Motorhome Scheme is taking place on a weekly basis via Social Media Posts. This focus includes promoting responsible tourism behaviours in line with the Scottish Outdoor Access Code.

6.5 Updates

6.5.1 Financial Summary

Savings

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

6.5.2 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.

6.5.3 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 Forward Plan

The key activities for the next 2 quarters (2026/27 Q2 and Q3) are as follows:

Continuing the marketing campaign, using existing in-house resources, to publish weekly posts throughout the summer about the Scheme. These posts also promote “buy local” to support local business and encourage visitors to use campsites and motor parks across the region. The campaign will also include posts during the low season to reflect that the Scheme is available all year round. Press releases and marketing will be coordinated with the launch of Wastewater sites to address key messaging around appropriate disposal of motorhome waste.

7.0 Tourism – Income from Campervans and Motorhomes (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 During May 2026 a motorhome wastewater site was launched at Ullapool. The Income Generation Board provided £0.085m investment into the project with the design being adopted and standardised for rollout across other sites. Following feedback from Scottish Water, lessons were identified to further improve the design by increasing protection of the fresh water supply.

7.3 Throughout June, the design was revised to incorporate all recommended improvements. This includes the adoption of a T-shaped design to provide physical separation between the waste and freshwater parts of the installation. Additional non-return mechanisms have also been strengthened to increase the protection of the fresh water supply. Planning permission is currently in progress for the lead sites with construction anticipated during Q2 and Q3.

7.4 Financial Summary

Investment

Overall, the Tourism Project has an approved investment budget of £0.750m. Spend on infrastructure projects is currently forecast to be:

- £0.350m for the aforementioned wastewater sites
- £0.085m to support the public conveniences project in Ullapool
- £0.060m for dry waste bins and enclosures.

Fees will be applied to the wastewater disposal and freshwater replenishment sites.

As previously reported, 14 additional waste bins (1100 litre) were rolled out at the following sites, frequently used by tourists across Highland:

- Nairn Harbour
- Dunnet Head
- Dunnet Seadrift
- Wick Riverside
- Durness Village
- Golspie
- Gairloch
- Little Gruinard
- Rogie Falls
- Kylesku

Note – some sites received several bins.

Following engagement with local Members over optimal site placement, waste enclosures at Wick, Dunnet and Kylesku are scheduled for completion and will be available for use during August. These aim to provide infrastructure to encourage and support sustainable tourism and for the benefit of local communities.

7.5 Forward Plan

Work continues to obtain the requisite approvals and permissions, working towards wastewater installations becoming operational at Dunvegan, Kingussie and North Kessock during Q2 and Q3.

Designation: Assistant Chief Executive - Corporate

Date: 6 August 2026

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