Agenda Item	14.a
Report No	RES/54/26

The Highland Council

Committee: **Corporate Resources**

Date: **19 November 2026**

Report Title: **Delivery Plan Budget Monitoring & Progress update – Income Generation – Q2 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.

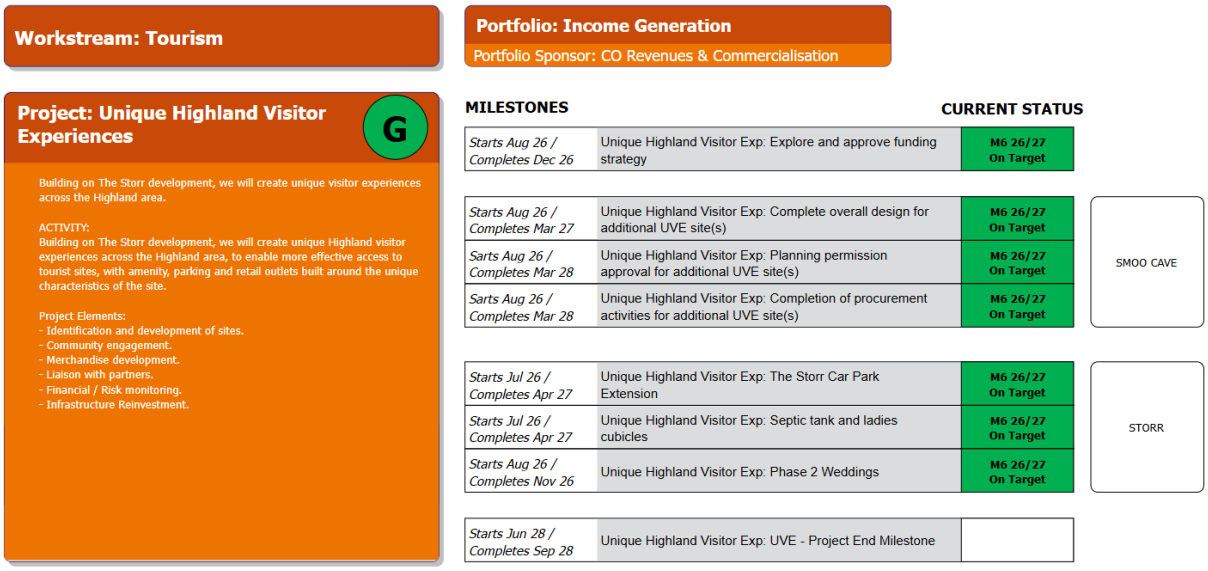
4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

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.



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 embedding of Phase 2 of the Storr Project, work continues through the Redesign Board on future UVE sites, following the recent approval of the Full Business Case for Smoo Cave. New milestones have been added into the PRMS system to reflect progress with the Storr car park extension and to reflect site development and planning approvals required at Smoo Cave.

5.2 The Storr

5.2.1 During Q2, the final minor works associated with the physical unit extension were completed, marking the practical completion of this development phase. Phase 2 of The Storr officially opened on 12 August 2026.

Phase 2 represents a significant investment in the future of The Storr Centre, designed to enhance the visitor experience whilst generating long-term economic benefits for the local community. During Q2, The Storr continued to enhance its retail offer, with ongoing feedback from customers and purchasing trends helping to evolve the product range. Collaboration with local suppliers remains a key priority, with several new products introduced and further partnership opportunities explored in preparation for the expanded retail space. These partnerships continue to strengthen The Storr's contribution to community wealth building, supporting local businesses, and showcasing high-quality local products.

5.2.2 Recent additions to the retail offer include an exclusive Storr whisky, developed in collaboration with Raasay Distillery, alongside a bespoke Storr tartan range, created with Lochcarron of Scotland, including products such as blankets and scarves. Further strengthening The Storr's commitment to the local economy, Skye-based designer Iain Angus Design produced a range of sustainably branded merchandise, including sweatshirts, hoodies, and tote bags, exclusively available at The Storr. These partnerships not only provide visitors with distinctive products that reflect the character of the area as well as a memorable souvenir, but also helps to retain

economic value within the region, supporting local jobs, businesses, and supply chains.

5.2.3 Alongside the retail development, the new multi-purpose space has been designed as a flexible venue capable of hosting weddings, events, community gatherings, and exhibitions. During Q2, work focused on preparing the space, developing wedding packages, and establishing processes to support future operations.

Funded through the UK Shared Prosperity Fund, the extension has delivered a major enhancement to The Storr's facilities.

5.2.4 E-commerce sales remained positive throughout Q2, with online orders continuing across both the UK and USA markets via thestorr.com. Work continued during the quarter to expand the online product offering by increasing the number of products available through the website and aligning the e-commerce range more closely with the in-store retail offer.

In response to growing international demand, The Storr Centre also began exploring opportunities to extend shipping to additional overseas markets. This includes seeking legal and regulatory advice to support potential future sales and distribution to Canada, Australia, and New Zealand, ensuring that any expansion of ecommerce is delivered in a compliant and sustainable manner.

5.2.5 As previously reported, the £1 increase in parking tariffs approved by the Isle of Skye and Raasay Area Committee came into effect from April 2026. During Q2, the additional income generated through parking charges continued to support investment in key visitor infrastructure, including the path network, public toilets, motorhome waste disposal facilities, and on-site visitor management. These investments play an important role in protecting the site, maintaining visitor safety, and enhancing the overall visitor experience while supporting the long-term sustainability of The Storr site.

Work also continued throughout Q2 to improve parking management and visitor flow at The Storr. Planning progressed on measures to increase parking capacity, improve roadside safety, and reduce congestion during peak periods, with a planning permission application due to be submitted in Q3. Alongside these developments, efforts focused on encouraging safe and responsible parking behaviour and identifying opportunities to further strengthen traffic management across the site, helping to improve accessibility and safety for residents, visitors, and all road users.

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

5.3.1 The Ranger Service continued to play a key role in managing visitor pressures, protecting the natural environment, and maintaining visitor safety at the Old Man of Storr during the peak summer period. Visitor numbers continued to increase, with July 2026 recording the highest monthly visitor numbers since monitoring began. One of the highlights was the guided experience for Young Carers, which was extremely rewarding for The Storr Rangers. Feedback from the groups was very positive, demonstrating how Ranger-led experiences can help people build a stronger connection with the natural and cultural heritage of the area.

5.3.2 Despite the increase in visitor numbers, visitor behaviour remained positive, with monitoring showing that only a small number of visitors left designated paths, demonstrating the effectiveness of ongoing visitor management measures and site interpretation. However, high footfall continued to place pressure on the landscape through path widening, verge erosion, littering, and informal route creation. Rangers expanded patrols into wider areas of the site to monitor these pressures and respond proactively.

5.3.3 Throughout the reporting period, Rangers undertook extensive path and environmental management works, including drainage improvements, installation of waterbars and anchor bars, verge repairs, and ongoing monitoring of erosion-prone areas. Approximately 600km of ranger patrols were completed, supporting visitor engagement, site monitoring, conservation activity, and incident response. The Storr Rangers have also begun to prepare for the winter months, by prioritising preventative maintenance, infrastructure inspections, and monitoring of areas vulnerable to storm damage and erosion.

5.3.4 A total of 13 visitor first aid and welfare incidents were managed by Rangers during the period, alongside four Mountain Rescue callouts and one air ambulance evacuation. Early intervention by Rangers prevented the escalation of several incidents involving lost visitors.

5.3.5 Biodiversity monitoring continued across the site, with Rangers recording important evidence of habitat recovery within protected areas. Encouraging signs of vegetation regeneration were observed within conservation zones, while woodland restoration and invasive species management work progressed. Ongoing collaboration with NatureScot has identified further opportunities to strengthen habitat protection while maintaining responsible public access.

5.3.6 Looking ahead to Q3 and Q4, the Ranger Service is exploring opportunities to develop bespoke guided experiences to enhance visitor engagement. Rangers also identified opportunities to improve interpretation across the site, helping visitors better understand the conservation and management work being undertaken at The Storr.

5.4 Unique Highland Visitor Experiences – Smoo Cave

5.4.1 On 27th August, Members of the Redesign Board approved the Full Business Case to progress with a Unique Visitor Experience at Smoo Cave. The Smoo Cave Unique Visitor experience Project aims to enhance the visitor experience at Smoo Cave through the development of new car parking, an improved footpath network and the creation of a new visitor centre.

The development is intended to move visitors away from the main A838 road and on to a new car parking site to the north of Smoo Cave with a new all-abilities footpath taking visitors back towards the cave from a new direction incorporating a unique aspect view of the cave and surrounding sea inlet.

The visitor centre will house an interpretation space focusing on the history and geology of the Cave and surrounding area, the marine and coastal environment and the military heritage of the former RAF Sango site on which the Centre will be constructed. The Centre will also include a retail space featuring products sourced locally and a café. Income generated through the development will support ongoing maintenance and development of the site.

5.4.2 **Funding**

All potential funding sources continue to be explored as part of the funding strategy for the project. Two early expressions of interest have been submitted to identified funding streams for the project, one to Regeneration Capital Grant Fund and a second to the National Lottery Heritage Fund. Excellent feedback has been received that will enable the project team to tailor future funding applications addressing that address specific requirements of both funding bodies.

5.4.3 **Community Engagement**

Early in Q3, the Business Development Lead is scheduled to meet with representatives of Durness Community Council and Durness Community Group (formerly Durness Development Group) together with the local Member and the local cave tour operator to outline the options being considered for development around Smoo Cave. Initial indications suggest there is broad community support for development at Smoo Cave and engagement with community members will continue as the project develops.

5.4.4 **Environmental Assessment**

An ecological impact survey was undertaken to determine the suitability of the preferred site. The outcomes of this survey indicate there are no significant ecological impediments to developing the site as planned.

5.4.5 **Redesign Board Support**

During Q3 a working group will be established, including nominated Members from the Redesign Board. The Working Group will provide a dedicated forum to provide stewardship for the development at Smoo Cave.

5.5 Key Risks & Measures of Success

INVESTMENT	CURRENT STATUS
£ Unique Highland Visitor Exp: Investment Forecast : EMR (Current FY Forecast)	£ 395,729

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 <u>Financial Summary</u>

<u>Savings</u>

£	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 Q3 and Q4) are as follows:

Key activities will focus on continuing to embed Phase 2 of the Storr development, including the wider rollout of weddings and e-commerce. Planning is ongoing for the expansion of the on-site parking provision. Following approval of the Full Business Case for Smoo Cave, the main priority for the site is it further progress land management and ownership.

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	M6 26/27 On Target
Starts May 25/ Completes Dec 26	Campervans/Motorhomes:Kingussie motorhome wastewater infrastructure operational	M6 26/27 On Target
Starts May 25/ Completes Oct 26	Campervans/Motorhomes:Kessock (A9) Northbound motorhome wastewater infrastructure operational	M6 26/27 On Target
Starts May 25/ Completes Dec 26	Campervans/Motorhomes:Dunvegan (Skye) motorhome wastewater infrastructure operational	M6 26/27 On Target
Starts May 25/ Completes Nov 26	Campervans/Motorhomes:Castletown motorhome wastewater infrastructure operational	M6 26/27 On Target
Starts Aug 26 / Completes Nov 26	Campervans/Motorhomes: Fort William motorhome wastewater infrastructure operational	M6 26/27 On Target
Starts Aug 26 / Completes Dec 26	Campervans/Motorhomes: Develop FY 27/28 Communications Strategy for the Highland Campervan and Motorhome Scheme	M6 26/27 On Target
Starts Aug 26 / Completes Nov 26	Campervans/Motorhomes: Review of strategy for launching additional Infrastructure	M6 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 during 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 has taken place on a weekly basis via Social Media Posts. This focus includes promoting responsible tourism behaviours in line with the Scottish Outdoor Access Code. Adverts will be released throughout Q3 (and beyond) to highlight that the Scheme is available all year round.

6.5 Key Risks & Measures of Success

INVESTMENT	CURRENT STATUS
£ Campervans/ Motorhomes: Investment Forecast : EMR (Current FY Forecast)	£ 547,087

MEASURES OF SUCCESS	CURRENT STATUS
£ Campervans/ Motorhomes: Income Forecast 26/27 (Current FY Forecast)	£ 50,000
Campervans/ Motorhomes: Grow Motorhome Wastewater sales by 10% during FY27/28	
Campervans/ Motorhomes: Grow Highland Campervan and Motorhome sales by 10% during FY25/26 Annual Average	16.8

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
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

6.5.1 Financial Summary

Savings

£	Campervans/ Motorhomes: Income Forecast 26/27 (Current FY Forecast)	£ 50,000

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 Q3 and Q4) are as follows:

Continuing the marketing campaign, using existing in-house resources, to publish regular posts highlighting the year-round availability of the Scheme. These posts also promote “buy local” to support local business and encourage visitors to use campsites and motor parks across the region. 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. Following feedback from Scottish Water, lessons were identified to further improve the design by increasing protection of the fresh water supply. The site has also experienced several instances of blockages which have been caused by the inappropriate disposal of non-flushable items. Additional upgrades have been identified to reduce the likelihood of these incidences in the future, including the adoption of a flushing mechanism. On 23rd September the Income Generation Board agreed to provide an additional £8K of funding for upgrades, increasing the overall investment into the project to £0.093m. The design is subsequently being adopted and standardised for rollout across other sites.

7.3 As previously reported the design has been 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. The specification of the black waste unit has also been upgraded to include a flushing unit which operates after every use. 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 Q3.

7.4 The status of each Wastewater site is as follows:

North Kessock
Planning permission approval received on 21st September. During Q3 the design will be submitted to Scottish Water for final approval. Following approval, construction work will be scheduled, with the installation expected to be operational within Q3.

Dunvegan
A decision on planning permission is expected to take place at the North Planning Applications Committee (NPAC) on 25th November.

Kingussie
A decision on planning permission is expected to take place at the South Planning Committee on 2nd December.

Fort William
On 12th October, Members of the Lochaber Area Business Meeting will decide upon the location of a proposed installation within the An Aird Car Park. Once decided, final site plans will be drawn up with a view to seeking planning permission within Q3.

7.5 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
- £0.093m 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.

7.6 Forward Plan

Planning Permission approval is in place for a wastewater installation at North Kessock. Following approval of the technical design from Scottish Water the site will be operational during Q3. Work continues to obtain the requisite approvals and permissions for installations at Dunvegan, Kingussie and Fort William.

Designation:	Assistant Chief Executive - Corporate
Date:	4 November 2026
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