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| Agenda Item | <b>12</b>       |
| Report No   | <b>HC/20/24</b> |

# The Highland Council

**Committee:** Highland Council

**Date:** 27 June 2024

**Report Title:** Adoption of Inner Moray Firth Local Development Plan 2

**Report By:** Assistant Chief Executive - Place

## 1 Purpose/Executive Summary

- 1.1 This report seeks a decision by Council to adopt the second Inner Moray Firth Local Development Plan as modified following receipt of the Report of Examination. Scottish Ministers have directed the Plan can be adopted subject to a minor textual amendment, which will be made prior to publication of the Plan in its constituted form.

## 2 Recommendations

- 2.1 Council is asked to agree to **adopt** the Inner Moray Firth Local Development Plan 2 incorporating the Reporters' Modifications following the Plan's Examination and the minor textual amendment required by the Scottish Government.

## 3 Implications

- 3.1 **Resource** – apart from the statutory press advertisement costs, the staff time resources to complete the Plan's adoption and final publication are allowed for within the existing Council budget. The Plan's Spatial Strategy guides new development to locations where it will most cost effective for the Council and other public sector agencies to provide infrastructure and service capacity whether that is related to education, waste collection, care or public transport.
- 3.2 **Legal** – The Plan could be challenged in the Court of Session following its constitution but only on matters of process not the planning merits of its contents. The Scottish Ministers' "clearance" of the Plan for adoption confirms their opinion that it is compatible with National Planning Framework 4, recent challenges against which have been rejected by the Court of Session. This makes it less likely that any challenge to the Plan itself would be successful.

- 3.3 **Community (Equality, Poverty, Rural and Island)** – The Plan’s vision and spatial strategy embody Scotland’s and Highland’s Outcomes focusing them on issues relevant to the use of land. Equality is addressed by influencing the pattern of future development, bringing all people physically or digitally closer to the jobs, facilities and services that they need. A more flexible approach to the location of business and industrial development including in rural areas should increase local employment opportunities. The Plan also encourages development of more energy efficient sites and buildings, which should lower long term heating costs. It also introduces a higher 35% quota for affordable housing units on suburban Inverness sites helping address current housing issues in the City. So too, promoting development in locations with good existing or planned active travel and public transport connectivity will present cheaper and more sustainable travel choices for many.
- 3.4 **Climate Change / Carbon Clever** – The Plan has been subject to and incorporated changes resulting from environmental assessment. SEPA and NatureScot in particular have influenced the Plan’s content that will ensure that the area’s environmental assets are respected and enhanced.
- 3.5 **Risk** – The Plan’s preparation followed due, statutorily defined, process and has been subject to independent examination. However, challenges lie ahead in terms of implementation and delivery. Any policy document is effective only if it is interpreted and applied in a fair and consistent manner, monitored, and reviewed, if necessary, particularly when new evidence suggests an amended approach. As described in paragraph 4.4 below, emerging employment growth-led housing need and demand may necessitate greater flexibility. The Plan’s post adoption Delivery Programme, which will need to be published by 27 September 2024, must now incorporate a Deliverable Housing Land Pipeline and will provide the first formal check of this aspect of the Plan’s implementation.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – No implications.
- 3.7 **Gaelic** – The Plan includes Gaelic language foreword, headings and subheadings.

## **4 Background**

- 4.1 The Inner Moray Firth Local Development Plan 2 (from this point forward referenced as “the Plan”) provides an updated statutory planning policy framework for Highland’s most populous and pressured geographic area. Over the next 3-4 years, the Plan alongside National Planning Framework 4 will guide planning application and other investment decision making across the Inner Moray Firth. The process of finalising the Plan is almost complete.
- 4.2 Following receipt of the Report of Examination in January 2024, officers incorporated into the Plan the modifications recommended by the Scottish Government appointed Reporters and in March 2024 published this “as intended to be adopted” version of the document. A copy of the Plan as intended to be adopted and the Report of Examination is available via the background papers link below. Local and the relevant strategic committee Members were informed of the Examination outcome, which was

very much in line with the position agreed by the Economy and Infrastructure and the then six relevant City/Local committees.

- 4.3 The Examination included a comprehensive analysis and discussion of future housing requirements and their connection to the economic growth prospects of the area and in particular to the Inverness and Cromarty Firth Green Freeport (ICFGF) project. The Reporters concluded that, in the short term, the Plan contained sufficient housing, business and industrial land in the right places to support future employment growth. However, in the medium term, the Reporter's Report accepted that new proposals and evidence could come forward that would require greater flexibility. Accordingly, the Plan now contains policy support, subject to inclusive stakeholder consultation and masterplanning, for ICFGF employment proposals outwith allocation boundaries.
- 4.4 A similar flexibility in terms of additional housing land was not added but may be needed in the next 3-5 years. To this end, planning officials are progressing a new Highland Local Development Plan (HLDP) starting with a current, evidence gathering stage, which will include a refined assessment of additional housing need and demand resulting from employment generated by the ICFGF project. This new evidence may justify new housing sites within the HLDP or if the requirement is more immediate then a similar inclusive masterplanning process to that explained above could be utilised to release housing sites additional to those in the current Plan. Scottish Government has provided a legal mechanism, called a Masterplan Consent Area (MCA), to assess, coordinate and expedite the delivery of suitable sites. MCAs have been referenced by Scottish Government as particularly suitable to "enable large scale infrastructure projects, including green freeports and development required to support ScotWind." A report on the potential use of MCAs in Highland was considered by the Economy and Infrastructure Committee on 2 May 2024.
- 4.5 Scottish Ministers, by letter of 21 May 2024 (**Appendix 1**), directed that the Plan can be adopted subject to one minor textual amendment, which recognises the potential ICFGF issue outlined in paragraph 4.4 above. The amendment adds the three words "including for housing" into a sentence within the renewable energy sector section of the Plan. The stated reason for the modification is "to provide a development plan context for the potential use of Masterplan Consent Areas for housing to support growth ambitions for the area." The modification is non-material in that it does not change any policy, allocation or spatial strategy component within the Plan.

## 5 Final Steps

- 5.1 Upon adoption of the Plan the final procedures are to:-
- publish the constituted Plan and its associated documentation; and
  - within 3 months of the constitution of the Plan prepare, publish and adopt a Delivery Programme to accompany the Plan.

Designation: Assistant Chief Executive - Place

Date: 23 May 2024

Authors: Scott Dalgarno, Development Plans Team Manager

Tim Stott, Principal Planner

Background Papers: Report of Examination: January 2024  
Inner Moray Firth Local Development Plan 2 (as Modified  
following Examination and As Intended to be Adopted): March  
2024

Documents available via <https://www.highland.gov.uk/imf>

Appendix 1: Scottish Ministers' "Direction" Letter: 21 May 2024

Local Government and Housing Directorate  
Planning, Architecture and Regeneration Division



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

E: developmentplans@gov.scot

Tim Stott  
Principal Planning Officer  
Highland Council

By email: tim.stott@highland.gov.uk

Our ref: A48458725  
21<sup>st</sup> May 2024

Dear Tim,

**Town and Country Planning (Scotland) Act 1997  
Notice of Intention to Adopt – Inner Moray Firth Local Development Plan 2 (as modified)**

I refer to your correspondence of 28<sup>th</sup> March 2024, regarding Highland Council's intention to adopt the proposed Inner Moray Firth Development Plan 2 (as modified).

Scottish Ministers have decided that the proposed plan as notified is unsatisfactory and hereby direct, under section 20(5) of the Town and Country Planning (Scotland) Act 1997<sup>1</sup>, that Highland Council consider modifying the proposed Inner Moray Firth Local Development Plan 2 as indicated in the Annex to this Direction.

This Direction is considered necessary to provide a development plan context for the potential use of Masterplan Consent Areas for housing to support growth ambitions for the area.

Section 20(6)<sup>1</sup> provides (subject to any further direction under section 20) that your authority may not adopt the Inner Moray Firth LDP2 unless you satisfy Scottish Ministers that you have made the modifications necessary to conform with this direction, or the Scottish Ministers withdraw it.

I would be grateful if you would therefore confirm that your authority will modify the plan.

Yours sincerely

**Ruairidh Anderson**  
**Planning, Architecture and Regeneration Division**

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<sup>1</sup> Section 20 is continued in effect to enable the constitution of local development plans in respect of which notice of the proposed local development plan was published in a local newspaper in accordance with regulation 12(2)(a) of the Town and Country Planning (Development Planning) (Scotland) Regulations 2008(1) before 12 February 2023 by regulation 4 of the Planning (Scotland) Act 2019 (Commencement No. 12 and Saving and Transitional Provisions) Regulations 2023 (SSI 2023/10).

## ANNEX

### Table of modifications

| <b>Reference</b>        | <b>Modification</b>   | <b>Reason for modification</b>  |
|-------------------------|---|---|
| Paragraph 45 on page 40 | Add the words in bold<br><br>'The Council will also consider creating Masterplan Consent Areas for key ports and other strategically important sites, <b>including for housing</b> , to help assist the industry by streamlining the planning process'. | To provide a development plan context for the potential use of Masterplan Consent Areas for housing to support growth ambitions for the area. |