

Agenda Item	7
Report No	ECI/36/25

Committee: Economy and Infrastructure

Date: 13 November 2025

Report Title: Masterplan Consent Areas: Potential Sites

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report seeks to inform Members of officer progress in implementing the Council's corporate commitment set out within the Highland Housing Challenge Partnership Action Plan to establish 3 Masterplan Consent Areas (MCAs) in Highland, a decision which was reaffirmed at Council on 26 June 2025.
- 1.2 An MCA is a legal, advance consenting mechanism that can accelerate the delivery of development by focusing and coordinating community, developer, councillor, officer and agency input at an early stage. Using conventional planning procedures, identifying, consenting and completing a large development site typically takes around 7 years. This is considered too slow to respond to emerging economic opportunities, such as the Inverness and Cromarty Firth Green Freeport (ICFGF), and to address the housing pressure that may result in advance of the adoption of the new Highland Local Development Plan.
- 1.3 All Members were invited to a briefing on MCAs, which took place on 7 August 2025. This report responds to the issues raised at that briefing, outlining the risks and benefits of MCAs, including the opportunity this approach has for communities and Members to have more influence on how development happens in Highland as opposed to simply reacting to planning applications or awaiting Scottish Government/Reporter decisions.
- 1.4 In section 8 is a "long-list" of 9 potential MCA sites that Members can recommend taking forward for further consideration. The "long-list" has been generated using a variety of criteria including proximity to the likely location of new ICFGF jobs; development industry interest in delivery; whether there are insurmountable environmental or infrastructure constraints; and the scope for innovation for example in addressing local housing need in areas experiencing tourism accommodation pressures. It should be understood that the focus at this point in time is to meet the commitments already made. Should the implementation of this planning tool prove a success for the initial sites, there will be potential for it to be utilised for other housing sites or alternative development opportunities across Highland.

- 1.5 In the interest of progressing 3/4 MCAs, Members are invited to recommend the proposed preferred sites to help inform future consultation with community and landowner interests.
- 1.6 Resourcing and governance arrangements to support the preparation of an MCA “Schemes” are outlined in this report at section 7. The proposed governance process for the consideration and approval of MCAs was set out in Appendix 4 to the May 2025 Committee report. The Council’s Scheme of Delegation currently has no reference to MCAs. Committee is therefore being invited to recommend to Council that the proposed governance process set out in appendix 4 to the May report is now adopted and that the necessary amendments are made to the Council’s Scheme of Delegation.

2 Recommendations

2.1 Members are asked to:-

- i. **Note** the corporate commitment, re-affirmed at Council in June 2025, to take forward three MCAs as part of the Highland Housing Challenge Partnership Action Plan;
- ii. **Note** that the now published [Call for Development Sites submissions](#) to the Highland Local Development Plan process informed the selection of a “long-list” of potential MCA sites;
- iii. **Agree to Recommend to Council** the “long-list” of potential Masterplan Consent Areas as **listed in section 8** and mapped **at Appendix 1, with a firm preference to progress sites at Essich Road, Embo and Ardersier**;
- iv. **Agree to Recommend to Council** that urgent work is carried out to identify a fourth preferred site on the west coast, in relative proximity to the Kishorn Yard, to support the ongoing investment in that area; and
- v. **Agree to Recommend to Council** that the Council’s Scheme of Delegation with particular reference to the role of both E&I Committee and PACs be amended as set out in Appendix 2 to reflect the proposed governance of the MCA process.

3 Implications

- 3.1 **Resource** – the [Scottish Government’ published guidance](#) on MCAs establishes the principle of full cost recovery (from the development industry of future planning application and other fees forgone) for work on producing MCAs. In addition, the Highland Council has accepted an early-adopter grant offer from the Scottish Government to help meet initial staff costs required in progressing MCAs that will help enable jobs linked to the Inverness and Cromarty Firth Green Freeport (ICFGF) project.
- 3.2 **Legal** – each Council must consider whether it would be desirable to make an MCA scheme. The Council published a [statement](#), as approved by Committee on 2 May 2024, which announced an intention to consider the application of MCAs in connection with the ICFGF project.

- 3.3 **Risk** – establishing an MCA is a new and therefore untested power and process. MCAs offer an alternative, quicker way to unlock and better shape development in Highland relative to the conventional approach of a local development plan followed by a planning application process. The MCA legal process offers similar checks and balances to that for a local development plan and a planning application but offers potential time savings by requiring an earlier and more intensive input from all affected parties.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – no implications.
- 3.5 **Gaelic** – all published MCA documentation will contain Gaelic headings and subheadings in accordance with the Council's Gaelic Language Plan.

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 report provides information on a "long-list" of potential Masterplan Consent Area (MCA) sites that Members' can recommend to Council for progressing to further assessment and engagement. Detailed environmental and other assessments will be undertaken if and when work on any MCA is authorised through the governance arrangements to be considered by Council.

5 What is a Masterplan Consent Area?

- 5.1 An MCA is an optional legal power introduced by the Planning (Scotland) Act 2019 and available since December 2024 to allow a local council to accelerate the delivery of development. An MCA "Scheme" if made, establishes the principle of development on the site and grants planning permission for specified types and forms of development within a specified area.
- 5.2 The quicker delivery is relative to the conventional and typical approach of a developer seeking a local development plan allocation and then if successful progressing a planning permission in principle followed by a Matters Specified in Conditions or further planning application. An MCA Scheme would also likely incorporate a standardised legal agreement further to streamline the process. The input of consultees, communities, councillors, landowners and developers is still maintained but needs to be earlier and more targeted than in the current conventional processes. Scottish Government appointed Reporters are not involved in the MCA process whereas they have two inputs in the new local development plan process. The Council has the final say (subject to a Scottish Ministers' power of veto and potential judicial review) on local representations.
- 5.3 The process and consultation procedures for MCAs, as set out in the Town and Country Planning (Scotland) Act 1997, were described in the report to Committee in May 2024 ([Item 6](#)).

6 Benefits and Risks

- 6.1 The principal reason to progress MCAs within Highland is to address the Highland Housing Challenge, which was declared by Council on 27 June 2024 and set a housing target of 24,000 homes in the next 10 years. The role of MCAs in meeting this target was reaffirmed at Council on 26 June 2025 via its approval of the Highland Housing Challenge Partnership Action Plan agreed at that meeting. As explained above, conventional planning processes typically take upwards of 7 years to identify, consent and start house completions on a large development site. The key benefit of MCAs is to respond more quickly to newly emerging opportunities such as the ICFGF project. The [report to Committee in May 2025](#), established that there is a medium-term shortfall in deliverable housing sites within Highland.
- 6.2 It is anticipated that 14,920 housing units will be delivered over the next 10 years but that equates to a shortfall of almost 10,000 units over that period relative to the Highland Housing Challenge target. The new Highland Local Development Plan will allocate new housing sites, however it will not be finalised until 2028 and not adopted until 2029, and subsequent planning permissions and completions will take at least 4 years thereafter. MCAs can provide a shorter-term solution to provide additional deliverable housing sites.
- 6.3 Members have mentioned (at May 2025 Committee and the August 2025 briefing) infrastructure capacity constraints as a reason not to progress MCAs. While it is true that all large development sites in Highland suffer from infrastructure capacity issues, an MCA will better highlight and quantify those issues and focus the minds of infrastructure providers and the development industry to work together to resolve them. Experience has shown that an infrastructure provider is more likely to amend its capital programme if there is an immediate and proven demand on its network.
- 6.4 Similarly, the MCA process allows a far more influential local community input to shape the development than a planning application process would provide. Local Members and residents can influence the detail of development permitted through an MCA from the outset rather than simply reacting to a developer proposal. There are 5 decision making points in the process where Members can halt or amend the content of an MCA. If anything, the process strengthens local democracy by allowing local Members to have the final say on local representations rather than these being heard by a Scottish Government Reporter via an appeal or an Examination.
- 6.5 The only presently unmitigated risk is that the process is new to all parties. The success of an MCA will depend upon each party committing its energy to early and collaborative input.

7 Process and Governance

- 7.1 The governance process envisaged for MCAs is set out in Appendix 4 to the May 2025 Committee report. In summary, it proposes a series of seven stages: initial consideration by the Economy and Infrastructure Committee on whether work should begin on a potential MCA; early public consultation and refinement of proposals; preparation of a draft MCA Scheme by officers in collaboration with landowners, developers and agencies; consideration of the proposed Scheme by the relevant Planning Applications Committee; and, following further consultation, a recommendation by that Committee to Council on whether an MCA Scheme should be “made” (adopted). The final decision to make an MCA Scheme would rest with Council, after which the approved Scheme would be published.

- 7.2 The Council's Scheme of Delegation currently has no reference to MCAs. Committee is therefore being invited to recommend to Council that the proposed governance process set out in Appendix 4 to the May report is now adopted and that the necessary amendments are made to the Council's Scheme of Delegation. The proposed changes to the Scheme of Delegation are set out at **Appendix 2**.

8 Criteria for Identifying a “long-list” of Potential MCAs

- 8.1 Scottish Government has endorsed the use of MCAs to support large scale projects such as Inverness and Cromarty Firth Green Freeport (ICFGF). As explained above, the Council has agreed that boosting the deliverable housing land supply close to future ICFGF jobs is a way to enable such growth. Therefore, the first criterion for MCA site-selection is proximity to where those jobs already are or are likely to be generated. Members will recall that the ICFGF tax sites are located at Ardersier, Inverness, Highland Deephaven, Nigg and Invergordon. Members should also note the very significant investment being made at the Kishorn Yard in Wester Ross, which will bring with it demands on the housing market, and it is important the approach for MCAs is equally applied here.
- 8.2 Secondly, development industry interest is a key consideration. MCAs are intended to make things happen. However, delivery will not happen and the aim of addressing the Highland Housing Challenge will not be successful unless the site is viable. MCAs need to be in a location where people want and are able, to live and work, and where the development industry is prepared to invest. The Council facilitated a Call for Development Sites process from January to May 2025, seeking bids from landowners, developers, and others for potential development sites to be considered for inclusion in the forthcoming Highland Local Development Plan. Over 250 site submissions were received. The submissions can be viewed online [here](#). Officers have taken these bids as a development industry view on which potential MCA sites are viable.
- 8.3 Thirdly, the relative balance of infrastructure and environmental constraints have been assessed. No large potential development site in Highland is free from all constraints and therefore it is more relevant to assess whether these can be avoided, mitigated or at least minimised. Early involvement through the MCA process, of infrastructure providers and other agencies will highlight if and how constraints can be overcome or whether showstopper issues exist that should halt that process. Potential MCA sites that suffer from known, significant infrastructure and/or environmental constraints, which currently have no reasonable prospect of short-term resolution, have not been included in the Table 1 “long-list”. These sites will still be considered for future development through the Highland Local Development Plan. If the use of the MCA tool is seen to be a success for the three initial sites, then there is potential to consider their use to bring forward other sites where there is an identified opportunity and requirement.
- 8.4 Fourthly, we have considered more qualitative factors such as the scope for innovation in housing delivery. Members will be aware of the impact of tourism accommodation demand on the availability of existing and new build houses to local residents for permanent year-round occupation. The site at Embo (see Table 1) could test if and how an MCA could enable the delivery of accommodation that will not be lost from the mainstream housing market and will contribute to local Community Wealth Building. If successful, then this would be an exemplar for how this issue could be tackled and demonstrate how the MCA tool could be beneficially applied across all of Highland.

- 8.5 Other criteria, such as the level of community support, will be applied and tested at the next initial stage following committee's decision. Detailed environmental impact assessment will commence at that stage too.
- 8.6 Using the above criteria, officers have generated a "long-list" of potential MCA sites as set out in Table 1 below:-

Table 1: "Long-list" of Potential Highland MCA sites

Potential MCA Site	Scale (Housing Units)	Other Proposed Uses	ICFGF Jobs Related?	Difficult to Mitigate Constraints
Alness East	800	Community	Close to Invergordon and Highland Deephaven Tax Sites	
Ardersier East	600	Primary School site Community	Close to Ardersier Port Tax Site	
Embo	30-50		Commutable to Nigg Tax Site and other east coast ports	
Essich Road, Inverness	400		Close to Inverness Tax Sites	Partial flood risk
Inverness East	2,000	Community Retail Business	Close to Inverness Tax Sites	Trunk road network capacity Strategic local road network capacity
North Kessock West (two sites)	1,200		Close to Inverness Tax Sites	Trunk road network capacity
Tain South and Tain West (five sites)	1,140	Community Commercial Tourism	Commutable to Nigg & Invergordon Tax Sites	Nature conservation sites (capercaillie bird interest)
Torbreck Farm, Inverness	340		Close to Inverness Tax Sites	
Welltown of Leys, Inverness	1,500	Primary School site Local neighbourhood shop / centre	Close to Inverness Tax Sites	Strategic local road network capacity School capacity

- 8.7 The 7 August 2025 Members Briefing discussed the purpose, process, benefits and risks of MCAs. Discussion on where MCAs should be pursued was limited hence the need for formal consideration of this issue at this meeting. The Briefing was well attended in person and online. Members raised the following issues: whether staff resourcing was available; timeframes for delivery; how development contributions would be set; how key agencies and infrastructure providers would participate in the process; what was in it for local communities; whether there was an opportunity to cluster several smaller sites into a single MCA Scheme; and internal governance procedures.
- 8.8 The presentation was shared with Members who were unable to attend and a further opportunity for written comment provided. To date, no consensus has emerged as to which MCA sites should be progressed to consultation.
- 8.9 An initial Strategic Environmental Assessment site appraisal for the Table 1 sites has been undertaken. Only the westernmost sites at Tain raise the prospect of significant adverse environmental effects that will be difficult to mitigate (in terms of the potential effects of increased recreational access to Morangie Forest and its associated capercaillie interest).

9 Next Steps

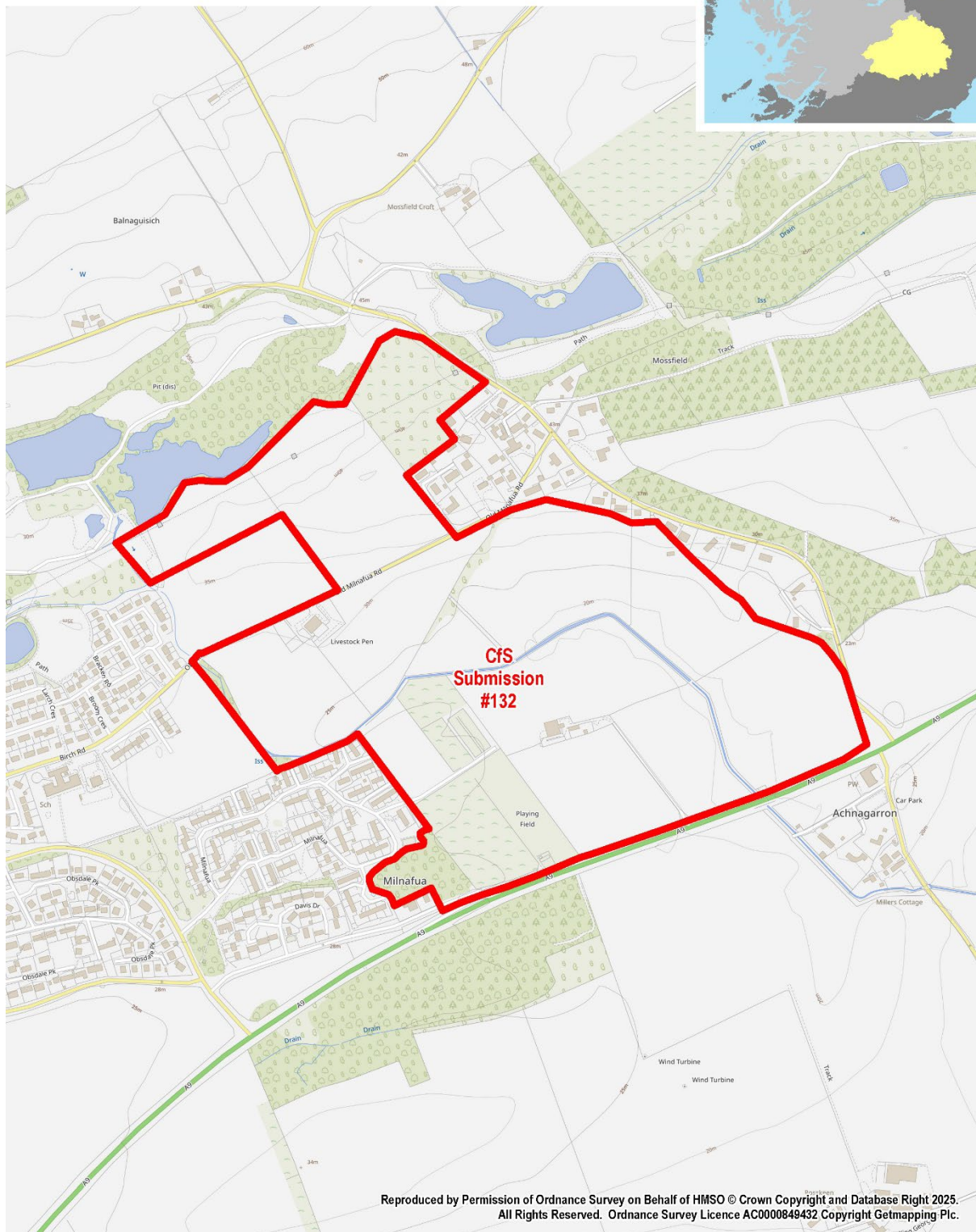
- 9.1 The “long-list” sites considered by this Committee, together with Members’ comments, will inform the identification of sites that should be taken forward. Any progression of sites will be subject to a more inclusive and detailed appraisal of their suitability through an environmental impact assessment process, initial community, agency and landowner consultation (including two local events), and any subsequent approval stages that may be confirmed through the governance process once it has been considered by Council.

Designation:	Assistant Chief Executive - Place
Date:	30 October 2025
Author:	David Mudie, Strategic Lead, Planning and Building Standards Tim Stott, Development Plans Manager Meredith Dale, Graduate Planner / Planner
Background Papers:	None
Appendices:	Appendix 1: Mapped Boundaries of Potential Masterplan Consent Areas

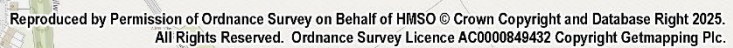
Appendix 1: Mapped Boundaries of Potential Masterplan Consent Areas

The areas of land suggested for inclusion within potential MCAs are delineated on the following maps. Where applicable, Call for Development Sites submission numbers are referenced. Further details of all submissions are available via [this link](#).

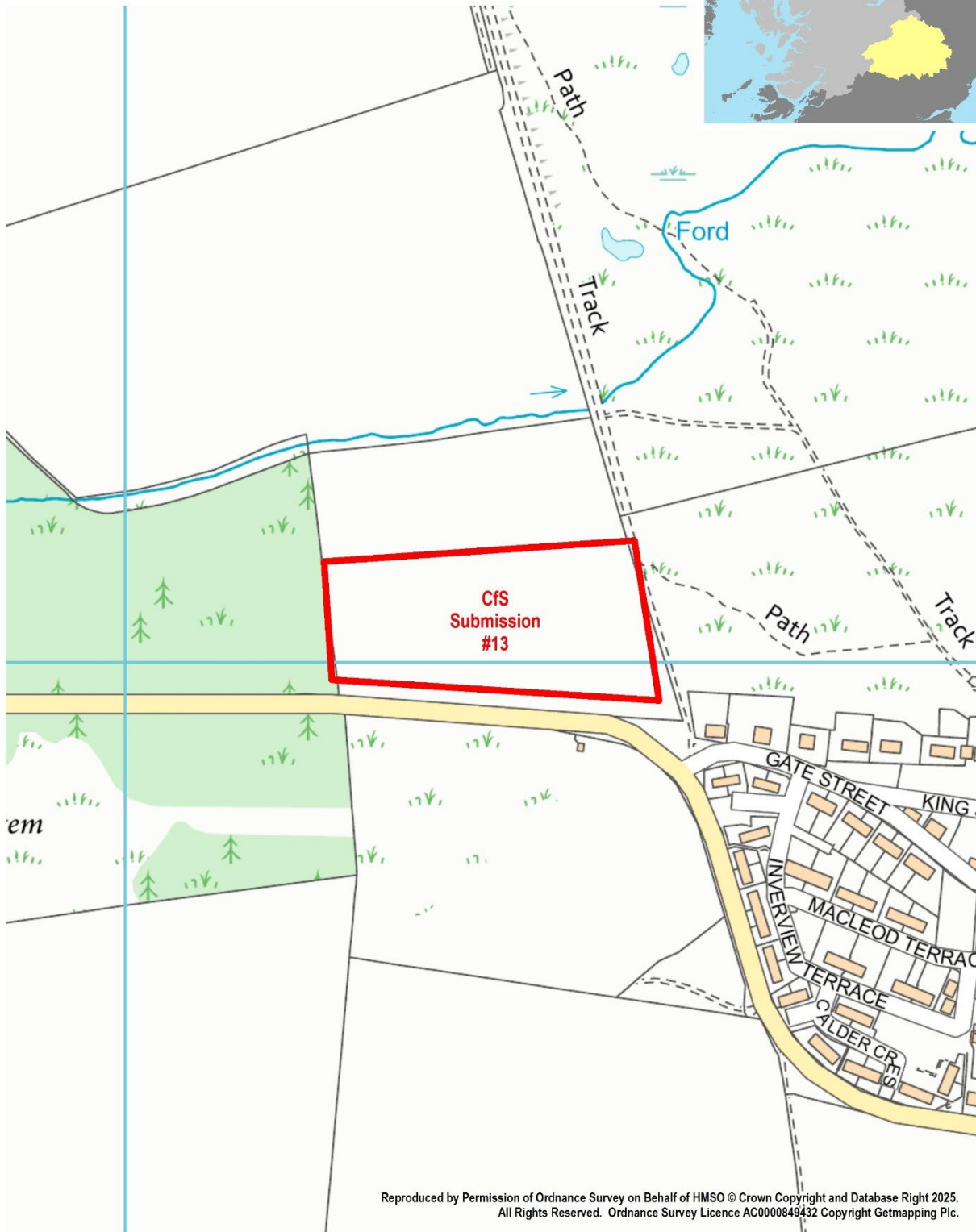
HLDP Call for Development Sites Submissions Relevant to Potential Masterplan Consent Areas: **Alness East**



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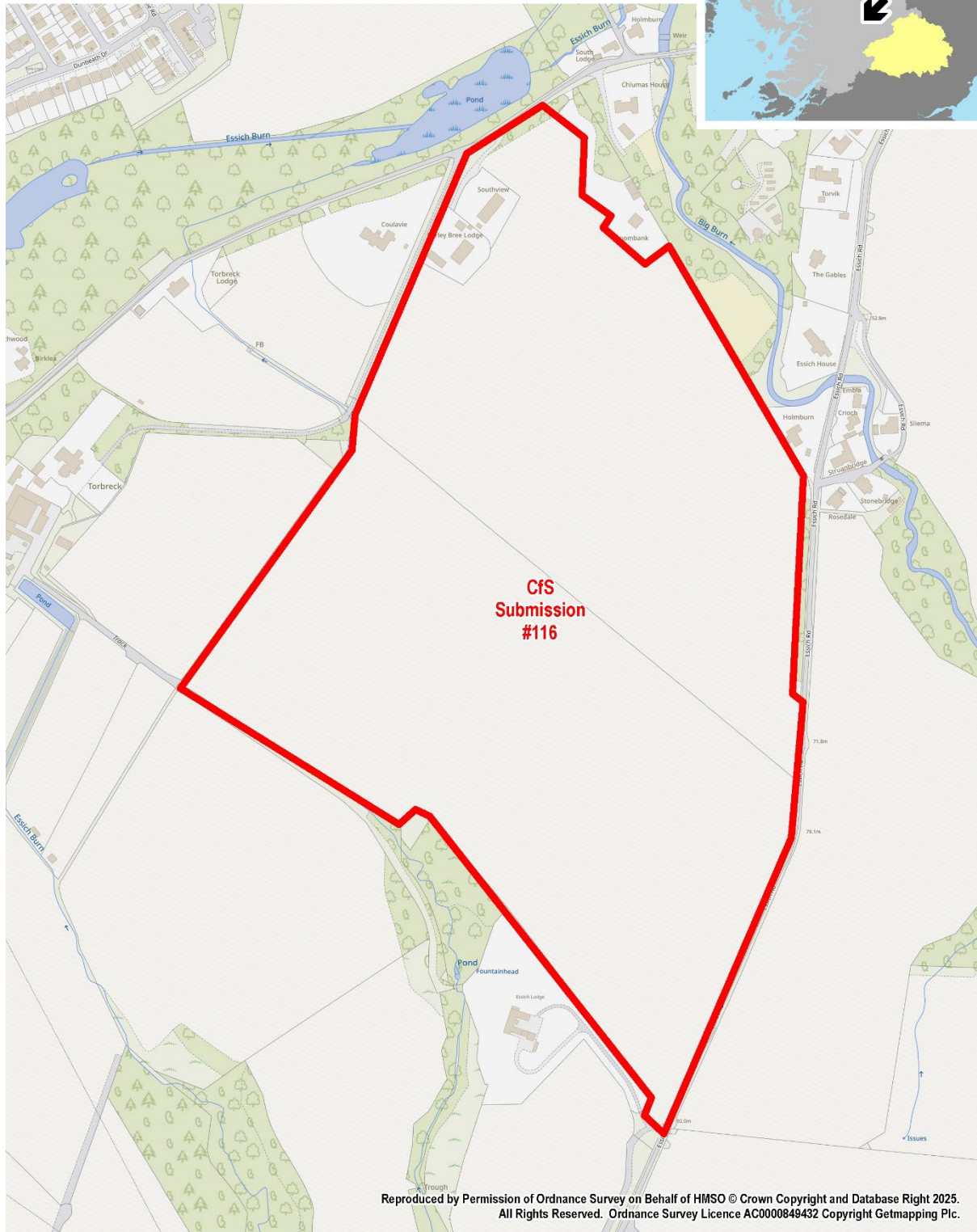
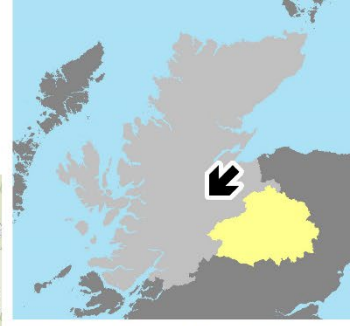


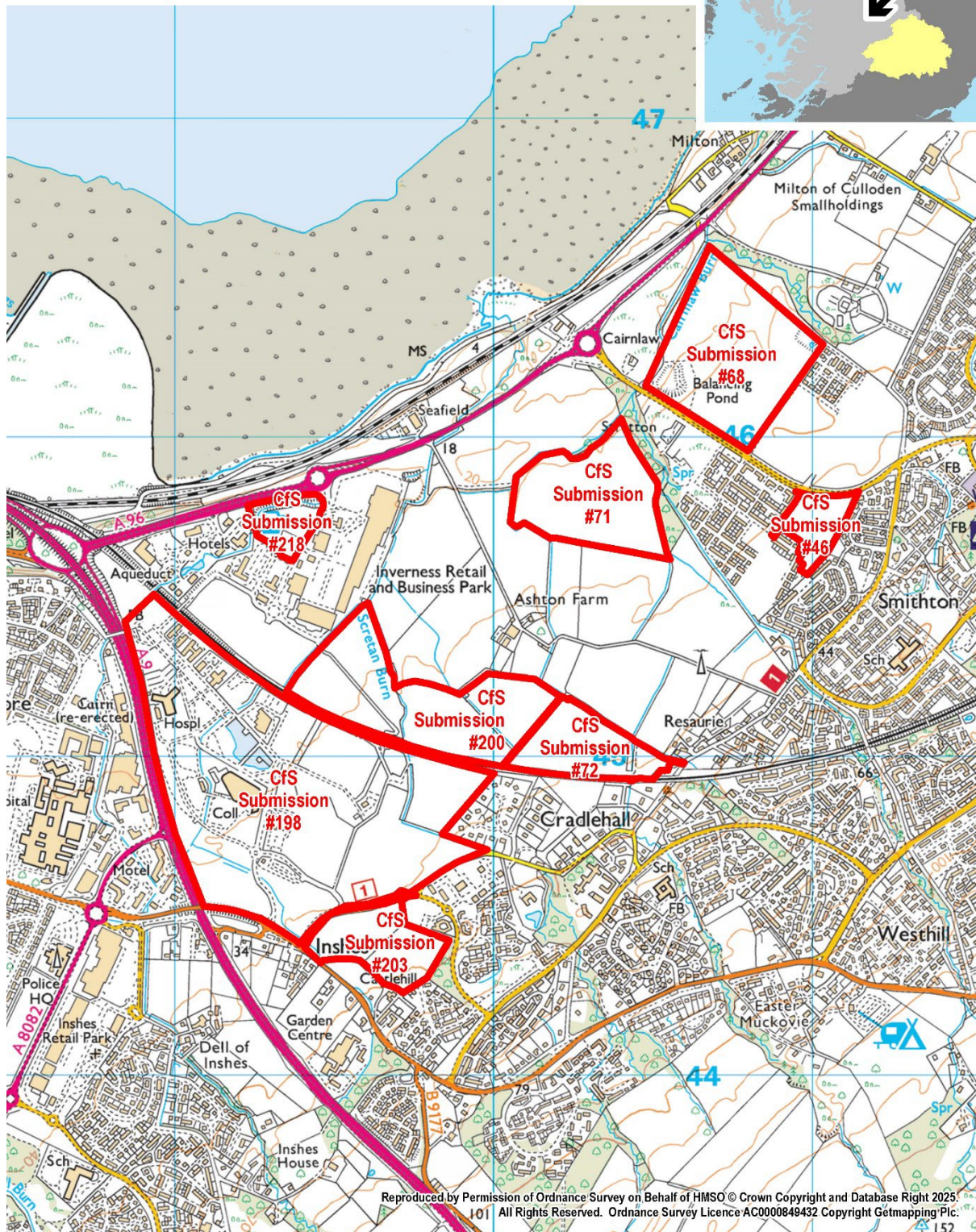
HLDP Call for Development Sites Submissions
Relevant to Potential Masterplan Consent Areas:
Embo



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HLDP Call for Development Sites Submissions
Relevant to Potential Masterplan Consent Areas:
Essich Road, Inverness



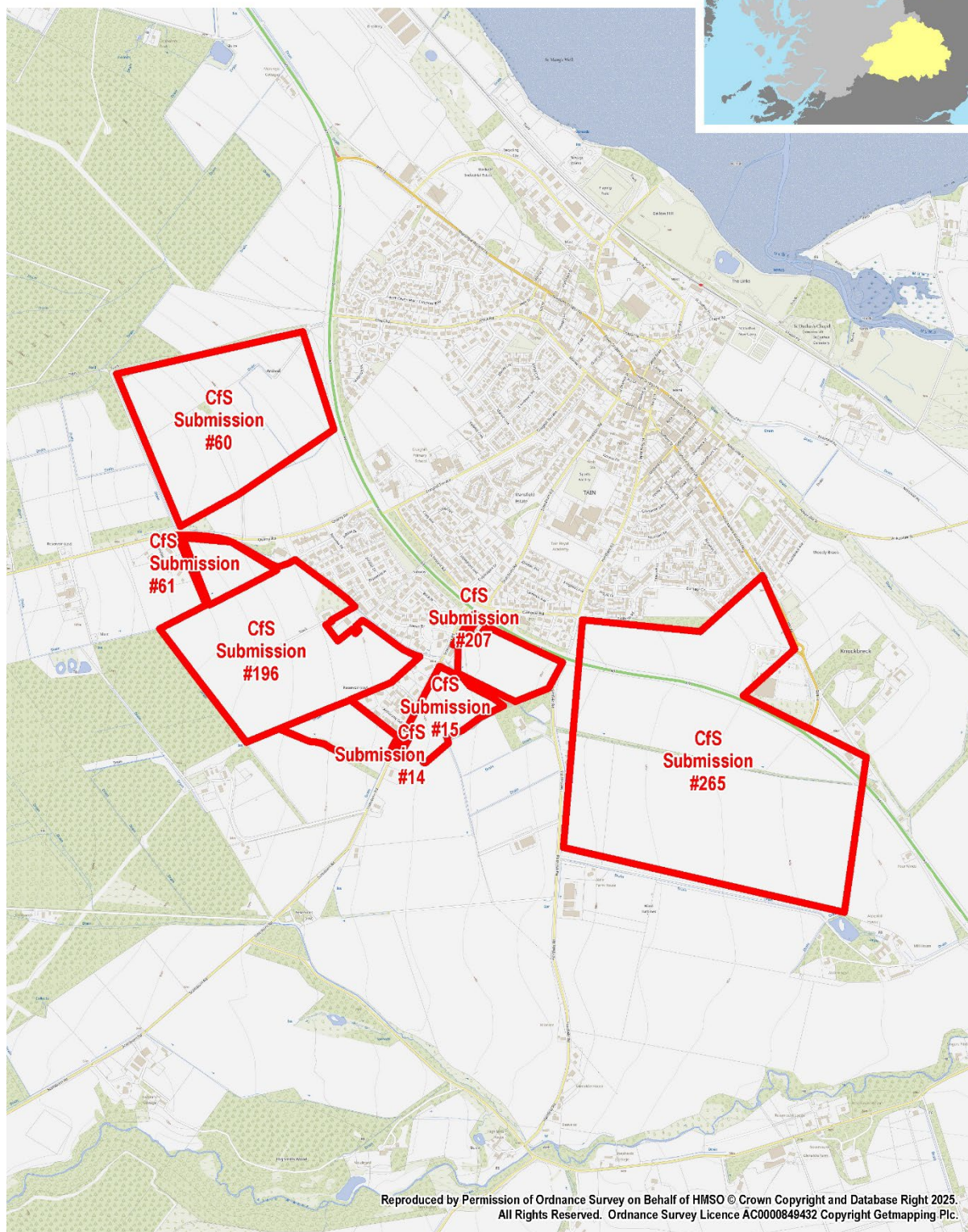
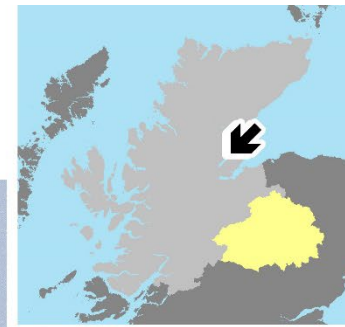


A map of the British Isles, including Great Britain and Ireland. The island of Ireland is highlighted in yellow, and a black arrow points to it from the text above.



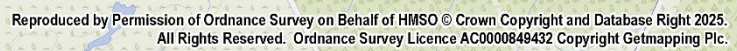
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HLDP Call for Development Sites Submissions Relevant to Potential Masterplan Consent Areas: **Tain South and Tain West**



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PROPOSED CHANGES TO THE SCHEME OF DELEGATION

1. HIGHLAND COUNCIL

Delete existing paragraph 1.23 (b) and replace with the following:-

b) to make schemes for Masterplan Consent Areas under the Town and Country Planning (Scotland) Act 1997 (as amended)

2. ECONOMY AND INFRASTRUCTURE COMMITTEE

Add the following after paragraph 3.11 in section **Specific 3. Infrastructure and Environment:-**

3.12 Masterplan Consent Areas (MCAs) under to the Town and Country Planning (Scotland) Act 1997 (as amended)

- i) To agree initial work on developing sites/areas and agree public consultation
- ii) To consider initial responses to proposal to develop MCA schemes

3. PLANNING APPLICATIONS COMMITTEE

Add the following after Paragraph 11:-

12. Masterplan Consent Areas (MCAs) under the Town and Country Planning (Scotland) Act 1997 (as amended)

- i) Agree the terms of the proposed MCA schemes that will be issued for public consultation
- ii) Consider and hear representations on proposed MCA schemes; consider and agree any necessary amendments to the proposed MCA schemes *: make a recommendation to Council upon the approval and form of the MCA scheme

All of the powers and duties of the Economy and Infrastructure Committee contained in 1 - 12 above, the powers in 7 being fully delegated.