

Agenda Item	4
Report No	ECI/13/26

The Highland Council

Committee: Economy and Infrastructure

Date: 28 May 2026

Report Title: Developer Contributions

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report provides Members with an overview and explanation of how the Council applies, manages, and reports developer contributions, also known as planning obligations.
- 1.2 Developer contributions can support planning policy by removing obstacles to the grant of planning permission and facilitating the delivery of necessary infrastructure. In this way, developer contributions enable a proposed development to be permitted which would otherwise be unacceptable. The Highland Council seeks contributions towards; schools, transport improvements, community facilities, green infrastructure and other key services/infrastructure where there is an identified need arising from development pressure.
- 1.3 Developer contributions are assessed on a case-by-case basis in line with five tests set out in Planning Circular 4/2025 and NPF4 and are secured as either up front or staged payments by legal agreement.

The five tests are:-

- necessary to make the proposed development acceptable in planning terms;
 - serve a planning purpose;
 - relate to the impacts of the proposed development;
 - fairly and reasonably relate in scale and kind to the proposed development; and
 - be reasonable in all other respects
- 1.4 This report outlines current policy requirements, operational processes, and financial management arrangements, in line with national planning policy and the Council's Developer Contributions Supplementary Guidance.

2 Recommendations

2.1 Members are asked to:-

- i. **Note** the updated explanation of how developer contributions operate, including the policy basis and requirements;
- ii. **Note** alignment with National Planning Framework 4 and the Council's adopted Supplementary Guidance;
- iii. **Note** the current balances of all active Developer Contribution pots for information;
- iv. **Note** Developer Contribution drawdowns during the 2025/26 financial year; and
- v. **Agree** that an update report is brought back to committee as soon as practicable following the end of the 2026/27 financial year.

3 Implications

- 3.1 **Resource** - Developer contributions provide a source of funding that can address deficiencies within existing infrastructure as a consequence of new development. They help manage financial pressures on the Council's Capital Programme by ensuring that developers contribute proportionately to the infrastructure that their development impacts on.
- 3.2 **Legal** - Developer contributions are governed by [Planning Circular 4/2025: Planning obligations and good neighbour agreements](#). This sets out five legal tests that must be met before contributions can be sought: they must be necessary, proportionate, and directly related to the development. Legal agreements and/or Reports of Handling specify how contributions may be used, and the Council must comply with these requirements to avoid challenge.
- 3.3 **Risk** - Strict adherence to legislation is essential to ensure that robust and defensible developer contributions are secured and used appropriately. Contributions must mitigate identifiable impacts of new development and cannot be used to resolve historic infrastructure deficits. Failure to comply with legislation increases the risk of contributions being challenged or reclaimed.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – No direct implications.
- 3.5 **Gaelic** – No direct implications.

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 update report and therefore an impact assessment is not required.

5 Overview of Developer Contributions

- 5.1 Developer contributions are financial obligations applied where new development creates additional demand on local services or facilities. Developer obligations are different to community benefits. They are required to mitigate the impact of a specific development on specific infrastructure in order to make the development acceptable in planning terms. They can fund infrastructure such as schools, community buildings, transport improvements, green infrastructure, water and waste infrastructure, public art, and affordable housing. Contributions must be directly linked to new demand and cannot resolve existing service shortfalls.
- 5.2 Planning obligations must meet five statutory tests, ensuring; they are necessary, serve a planning purpose, relate to development impacts, and are fair and proportionate. Guidance is taken from the Highland Delivery Programme, the Local Development Plans, and the Developer Contributions Supplementary Guidance.
- 5.3 The Council's [Highland Delivery Programme](#) outlines the need for such facilities to be delivered. The [Developer Contributions Supplementary Guidance](#) (adopted November 2018) sets out relevant policy. These documents guide how contributions are calculated and applied.
- 5.4 In addition to the Development Plan Delivery Programme, [Local Place Plans](#) can provide communities the opportunity identify local priorities that may be considered when assessing future development proposals.
- 5.5 Contributions related to residential development generally applies to all new homes, with scaled discounts for small developments. Contributions for this type of development are typically required towards schools, community facilities, transport and green infrastructure where there is an impact from new development on the capacity of the infrastructure
- 5.6 Developments of four or more homes must deliver affordable housing: 25% outside Inverness and 35% within Inverness (excluding city centre). On-site delivery is preferred.
- 5.7 Developer contributions are collected and allocated within the relevant secondary school catchment area to ensure local need is addressed.
- 5.8 For larger phased developments, contributions are normally collected in arrears as each plot is completed, allowing contributions to accumulate over time in line with development progress and cashflow.

5.9 For commercial, industrial and retail development proposals contributions may be required where mitigation is necessary; quite usually related to transport/active travel impacts. This would normally have to be provided by occupation or within an agreed timeline where contributions from various developments are to be aggregated.

6 Governance and Decision Making

6.1 The Developer Contributions Board meets quarterly. It has responsibility for ensuring that developer contributions collected are drawn down from their respective 'pots' and spent on the identified projects in an appropriate and timely manner, ensuring compliance with the [Developer Contribution Protocol](#) set out within **Appendix 1**.

6.2 The Developer Contributions Board operates as a sub-board of the Capital Programme Board. It therefore also has a clear role to play in the alignment between the Capital Programme and the Delivery Programme in order that where development is identified within the Development Plan that this is both informed by and informs the capital investment decisions of the Council.

6.3 The Protocol, approved by the Economy and Infrastructure (E&I) Committee in February 2023, clarifies how Members and communities can inform decisions on the use of developer contributions.

6.4 There are opportunities for community organisations to apply for funding where their project increases capacity in line with the type of contribution available. Match funding is required and proposals must demonstrate clear mitigation of development impacts. Decisions on these would normally be made by the Developer Contributions Board unless there are competing project bids, in which case these would be referred to the relevant Area Committee.

6.5 Developer contributions are for capital spend to increase the capacity of infrastructure and cannot however be used for feasibility studies, seed funding, or projects restricted to specific groups.

7 Financial Reporting

7.1 The Council maintains individual, ring-fenced contribution pots for each obligation identified through planning permissions. These can only be used for the specific infrastructure type or location stated in the legal agreement and the relevant planning Reports of Handling. Regular financial reporting supports transparency and governance.

7.2 **Appendix 2** contains the names and current balances of all active Developer Contribution pots. Maintaining individual pots supports clear alignment with Capital Programme and Delivery Programme projects.

7.3 These balances represent a point-in-time snapshot and are subject to frequent change as contributions are received or drawn down. Members seeking up-to-date figures should contact the Developer Contributions Officer.

7.4 **Appendix 3** provides detailed drawdowns for the 2025–26 financial year.

Designation: Assistant Chief Executive - Place

Date: 21 April 2026

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Background Papers: None

Appendices: Appendix 1 – Developer Contributions Protocol
Appendix 2 – Developer Contributions Active Pots
Appendix 3 – Developer Contributions Drawdowns 2025-26

Protocol for Identifying Developer Contributions

The Highland Council

September 2023

Developer requirements for planning applications and pre-application enquiries are determined using the following:-

- the Local Development Plan
- Development Briefs
- the LDP Delivery Programme
- the Developer Contributions Supplementary Guidance
- consultation responses for planning applications

Where a deficiency in services or infrastructure is identified, the case officer works in consultation with specialist officers or partners for each type of infrastructure to confirm whether contributions need to be sought. Any contributions sought must comply with national legislation for Developer Contributions as set out in Circular 3/2012 Planning Obligations. Through the determination of the application, and in combination with the specialist contacts, the case officer negotiates on behalf of the Council, the appropriate mitigation to be provided or for financial contributions to be made.

The Council collects contributions for specific known projects through developer contribution 'pots' and these are monitored regularly. The specialist contacts on each type of contribution also have a role in coordinating any developer contributions, along with any other funding sources, to enable delivery of infrastructure. This activity is monitored through the Developer Contributions Board.

Where there are developer contribution pots for projects that do not come forward, or are identified as being no longer required, there may be scope for those contributions to be re-directed to a project that provides suitable mitigation/equivalent benefit for the community concerned. In these instances, the relevant Area Committee will be presented with a list of projects that are considered to be eligible. Incompatible projects will not be presented for consideration. The role of the Area Committee will be to agree the distribution of such contributions across eligible projects. Officers will be present to provide advice.

Protocol

1. Communities and partners are encouraged to identify requirements for future development and/or their place during the preparation of a Local Development Plan (LDP) and any Area Plan (typically led by the public sector) – including placemaking priorities and place and/or site-specific infrastructure requirements;
2. Local Development Plans (LDPs), LDP Delivery Programme, Development Briefs and Masterplans therefore identify upfront requirements;
3. Alongside, communities are encouraged to prepare their own Local Place Plan to identify the unique requirements and ambitions for their community;
4. Where an appropriate representative Community Group identifies a new project or priority that might be eligible for Developer Contributions, they can make recommendations for consideration by the Developer Contributions Board (through the Developer Contributions Officer) and subsequent decision by Area Committee (in line with step 7 of the Protocol);
5. At application or pre-application stage, Case Officer identifies requirements based on feedback from specialist officers and representations on the planning application etc, including requirements from LDP, Delivery Programme, Dev Brief, Place Plan, Local Place Plan as necessary;
6. Determination of an application confirms appropriate mitigation; by the Case Officer, if determined by delegation, or NPAC/SPAC that would provide an opportunity for Members to highlight alternative mitigation methods;
7. In circumstances where alternative mitigation is flagged, or where spend has not been identified – Area Committee then given chance to agree appropriate mitigation, with officer input as outlined above.

Developer Contributions Active Pots

Pot Reference	Current Pot Balance	Pot Title / Obligation
POT/0001A	£24,653.44	Inshes District Park
POT/0001B	£67,814.92	Inshes District Park Maintenance
POT/00002	£60,564.36	Inshes & MOL - Library & Service Point
POT/00003	£85,938.52	Inshes - Community Hall
POT/00004	£111,106.23	Inshes - Primary School/Extension
POT/00006	£287,286.78	Inshes & MOL – Neighbourhood Shop
POT/00007	£252,149.34	Inshes & MOL - Playing Fields
POT/00009	£560,323.37	Inshes - Roads Obligation
POT/00010	£65,606.22	Inshes - Public Transport
POT/00013	£72,637.14	WOC - Recreation Sports Field
POT/00014	£6,099.50	WOC - Recreation Changing Facilities
POT/00015	£13,354.82	WOC - Recreation Maintenance
POT/00016	£26,236.02	WOC - Community Hall
POT/00018	£44,906.20	WOC - Community Education at Culloden Academy
POT/00028	£86,221.41	MOL - Community Hall
POT/00029	£3,912.88	Milton Of Leys Drainage
POT/00040	£382,234.57	IRBP - Road Improvements and Sustainable Transport
POT/00043	£11,029.52	West Gills - Amenity
POT/00046	£60,482.68	Dingwall - Kinnairdie Link Road
POT/00054	£346,554.95	Dornoch - Education
POT/0057A	£57,421.80	Muir Of Ord Community Facilities
POT/0057B	£1,500.00	Tarradale Primary School
POT/0057D	£4,654.41	Muir Of Ord Recreational Facilities
POT/00059	£226,500.67	SDR/Westlink
POT/0067A	£53,235.95	Fortrose Academy
POT/0067B	£988.96	Fortrose Public Transport
POT/0067C	£20,566.28	Fortrose Road Network Improvements
POT/00076	£186,948.00	Ben Wyvis Primary School

POT/00078	£22,636.51	Achnaha, Lochaline - Public Rd Retaining Wall Imp
POT/00079	£157,247.05	Dingwall North - MUGA's
POT/00089	£5,243.12	Conon Bridge - Real Time Provision
POT/00095	£27,179.65	Dingwall North - Bus Stop Provision
POT/00097	£767,100.49	Dingwall North - Education
POT/00098	£382,631.50	Aviemore - Primary
POT/00104	£37,008.00	Alness - Transport Improvements
POT/00117	£323,351.62	Academy Street, Inverness - Streetscape Works
POT/00119	£50,293.44	Aviemore - Bus Stop
POT/00121	£791,629.34	Nairn - Rail Line Active Travel Bridge
POT/00133	£933,165.88	Charleston Academy
POT/00134	£463,600.85	Strategic Sports
POT/00135	£17,389.70	Torvean - Bus Stops
POT/00141	£24,447.99	Nairn Academy
POT/00154	£794,506.64	Croy Primary School
POT/00157	£341,132.37	A96 Connectivity Contributions
POT/00158	£10,494.88	Castle Stuart - Ardersier Coastal Path & Ardersier Active Travel
POT/00159	£875,477.97	Stratton-Phase 1A-Smithton PS and Culloden Academy
POT/00162	£58,654.62	Millburn Road - Improved Cycle Provisions
POT/00166	£80,740.39	A96 Green Network
POT/00169	£396,417.63	Millburn Academy
POT/00170	£125,608.35	Dornoch - Community Facilities
POT/00171	£160,147.82	Inverness City Centre Active Travel
POT/00173	£243,026.04	Fort William & Lochaber Community Facilities
POT/00176	£7,396.56	Rosemarkie Bus Shelter - RTI
POT/00179	£55,067.32	Ullapool Leisure Facilities - Lochbroom Leisure Centre
POT/00181	£7,781.42	Poolewe - Play Area
POT/00184	£403,030.45	Caol Primary School
POT/00189	£32,413.43	Kingussie New Primary School Land costs
POT/00190	£59,636.69	Active Travel - Landward Trail from Inverness to Nairn
POT/00193	£24,827.36	Portree Community Facilities
POT/00194	£90,110.95	Kiltearn Primary School

POT/00195	£43,137.71	Evanton Community Facilities
POT/00198	£275,093.93	Wick High School
POT/00201	£227,086.47	Kirkhill Primary School
POT/00202	£1,908.76	Fort William Waste Management
POT/00203	£554,224.50	Dingwall Academy
POT/00204	£161,281.39	Nairn Leisure Centre
POT/00206	£17,229.42	Newtonmore Primary School
POT/00207	£390.04	Kingussie Leisure Centre
POT/00208	£3,097.70	Strathdearn Primary School
POT/00212	£4,090.40	Staffin Primary School
POT/00213	£87,367.96	Tain Sports Facilities
POT/00216	£575.62	Cannich Bridge Primary School
POT/00219	£30,274.51	Inverness City Centre Parking Provision
POT/00223	£89,154.81	Averon Leisure Centre
POT/00224	£119,710.89	Eagle Management Fund
POT/00225	£195,150.96	Glenurquhart Primary School
POT/00227	£257,956.77	Lundavra Primary School
POT/00230	£101,877.80	Dingwall Leisure Centre
POT/00231	£10,215.01	Telford St/Carsegate Road Signalised Junction
POT/00232	£3,328.09	TRO Carse Industrial Estate
POT/00239	£2,930.34	Beauly Primary School
POT/00240	£905,845.00	B851 Improvements
POT/00241	£18,481.62	Inverness High School
POT/00242	£55,677.82	Black Isle Leisure Centre
POT/00244	£2,621.03	Culbokie Real Time Bus Stop Provision
POT/00248	£60,039.38	Light Controlled Crossing of A82(T)
POT/00251	£15,401.37	Cawdor Primary School
POT/00252	£5,664.80	Bunchrew Footpath Improvements
POT/00253	£9,529.35	Mallaig Swimming Pool
POT/00255	£101,915.24	Balloch Primary School
POT/00257	£4,231.72	Deshar Primary School
POT/00265	£1,619.16	Carbost RTO

POT/00266	£10,248.30	Clachnaharry Road Parking Provision
POT/00273	£5,000.00	Ness Bank Coach Parking
POT/00283	£118,799.06	Hilton Community Centre
POT/00285	£34,134.69	Fort William Active Travel
POT/00286	£45,987.75	Invergordon Leisure Centre
POT/00287	£67,933.94	Balloch Core Path Improvements
POT/00289	£2,432.65	Balloch Recycling Point
POT/00291	£10,744.96	Bailey Bridge Maintenance
POT/00292	£748.39	Aviemore - Mountain Bike Track Facility
POT/00293	£495.99	Knock Shortie Road Play Park Upgrade
POT/00294	£98,318.55	Beauly & Dunballoch Active Travel
POT/00295	£21,014.57	Sutherland Community Facilities
POT/00297	£44,866.98	Drumnadrochit Community Facilities
POT/00298	£2,326.58	Evanton Bus Stop RTI Provision
POT/00299	£27,495.88	Evanton Public Transport
POT/00301	£33,777.00	Maryburgh Amenity Centre
POT/00302	£5,268.37	Grantown On Spey Active Travel
POT/00304	£18,320.69	Kirkhill To Beauly Cycle Path Active Travel
POT/00305	£7,375.74	Ullapool Car Parking Provision
POT/00308	£18,144.44	B851 Carriageway Widening
POT/00313	£25,555.00	A862 Road Safety & Active Travel Improvements - Beauly to Inverness
POT/00314	£31,520.00	North Coast Leisure Centre
POT/00315	£3,000.00	Aviemore Road Junction Improvements
POT/00316	£3,206.00	Tomatin Sustainable Transport
POT/00317	£206.00	Portree Active Travel
POT/00318	£16,000.00	Tain Active Travel
POT/00319	£130,000.00	South Loch Ness Road Improvement Strategy
POT/00320	£619.00	Wick Active Travel (Masterplan)
POT/00321	£15,375.00	Dingwall Active Travel
POT/00322	£3,988.00	Plockton High School Transport
POT/00323	£1,979.00	Abernethy Primary School

Developer Contributions Drawdowns 2025-26

Pot Reference	Total Drawn Down	Pot Title / Obligation	Service
1A	£6,000.00	Inshes District Park	Infrastructure
57B	£32,003.00	Tarradale Primary School	Education
59	£6,000.00	Torvean Park Maintenance	Community Facilities
59	£126,500.00	Westlink	Roads & Transport
76	£591,917.00	Ben Wyvis Primary School	Education
89	£ 5,243.00	Conon Bridge - RTP	Public Transport
91	£2,548.00	Aviemore - Sports Pitches	Education
98	£9,059.00	Aviemore Primary School	Education
108	£2,323.00	Ness Castle Primary School	Education
109	£782,346.00	Inverness Royal Academy	Education
109	£25,000.00	Inverness Royal Academy	Education
113	£223,061.00	Avoch Primary School	Education
115	£577,622.00	Cauldeen Primary School	Education
118	£2,255.00	Aviemore - Bus Service Improvements	Public Transport
120	£54,302.00	Nairn - Bus Service Improvements	Public Transport
121	£4,345.00	Nairn - Rail Line Active Travel Bridge	Active Travel
124	£168,272.00	Knockbreck Primary School	Education
128	£19,004.00	North Kessock Primary School	Education
129	£192,673.00	Cradlehall Primary School	Education
130	£1,319,465.00	Culloden Academy	Education
132	£283,780.00	Kinmylies Primary School	Education
136	£14,919.00	Holm Primary School	Education
139	£1,588.00	Ness Castle - Playing Field Provision	Education
152	£137,916.00	Tornagrain Phs 1 - Bus Service Improvements	Public Transport
168	£9,584.00	Glendoe Terrace, Traffic Calming	Roads & Transport
169	£30,000.00	Millburn Academy	Education
171	£71,627.00	Inverness City Centre Active Travel	Active Travel
174	£486,162.00	Milton of Leys Primary School	Education
175	£96,464.00	Cauldeen Primary School - Nursery Education	Education

178	£15,752.00	Smithton Primary School	Education
185	£315,263.00	Auldearn Primary School	Education
187	£10,505.00	Ness-Side Public Transport	Public Transport
192	£70,514.00	Carrbridge Primary School	Education
196	£48,824.00	Spean Bridge Primary School Extension	Education
199	£11,786.00	Newton Park Primary School	Education
200	£18,698.00	Tarbat Old Primary School	Education
205	£53,598.00	Auldearn Primary School Bus Service	Public Transport
207	£4,067.00	Kingussie Leisure Centre	Community Facilities
209	£11,368.00	Dingwall Academy School Transport	Public Transport
210	£111,390.00	Bridgend Primary School	Education
211	£10,485.00	Tomnacross Primary School	Education
214	£2,539.00	Muirtown Primary School	Education
218	£2,355.00	Glenurquhart Road Bus Service Provision	Public Transport
220	£50,600.00	Sleat Primary School	Education
221	£4,197.00	Duncan Forbes Primary School	Education
222	£154,776.00	Obsdale Primary School	Education
223	£60,000.00	Averon Leisure Centre	Community Facilities
226	£2,657.00	Inverlochry Primary School	Education
234	£6,916.00	Lochardil Primary School	Education
235	£10,389.00	Shieldaig Primary School	Education
237	£2,344.00	Daviot Primary School	Education
238	£219,294.00	Ardersier Primary School	Education
243	£3,381.00	Culbokie Public Transport	Public Transport
245	£9,014.00	Wayfinding Strategy - Inverness City Centre	Active Travel
246	£2,836.00	Crown Primary School	Education
254	£4,177.00	Acharacle Primary School	Education
256	£2,707.00	Mulbuie Primary School	Education
258	£195.00	B9090 Clephanton Public Road Improvement	Roads & Transport
260	£602.00	Strontian Primary School	Education
261	£2,336.00	Grantown Grammar School	Education
264	£1,742.00	Kingussie High School	Education
268	£1,800.00	Auchtertyre Primary School	Education

271	£9,685.00	Ness Bank Street Signage	Active Travel
275	£26,893.00	South Inverness Active Travel	Active Travel
277	£6,964.00	Portree Primary School	Education
278	£1,235.00	Millbank Primary School	Education
279	£9,599.00	Coulhill Primary School	Education
280	£502.00	Hilton Primary School	Education
284	£632.00	Drakies Primary School	Education
290	£1,895.00	Raigmore Primary School	Education
294	£20,821.00	Beauly Active Travel Works	Active Travel
303	£1,159.00	Newton Park Bus Stop Maintenance	Public Transport
306	£10,514.00	Lady Lovat Primary School	Education
323	£22,737.00	Abernethy Primary School	Education
324	£28,795.00	Grantown Primary School	Education
999	£45,461.00	Management Costs	Administrative
	£6,695,977.00	2025/26 TOTAL Drawdown	