

Key Worker Homes in the South of Scotland





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MAIN FINDINGS & RECOMMENDATIONS



MAIN FINDINGS & RECOMMENDATIONS

Our aim for this research is to inform efforts to deliver more key worker homes in Dumfries & Galloway and the Scottish Borders, a priority of the *South of Scotland Housing Action Plan*.¹ There is no set definition of 'key worker' and, for present purposes, we have considered three main groups:

> ESSENTIAL PUBLIC SERVICES

Workers who provide services essential to public welfare and safety, including in health, social care, education, public safety & order and public administration.

> CRITICAL INFRASTRUCTURE

Workers who promote public welfare & safety and support sustainable development by providing and maintaining the energy, water, digital and transport networks.

> STRATEGIC ECONOMIC SECTORS

Workers who play a crucial role in the operation and development of strategically important sectors of the economy, as identified in the *Regional Economic Strategy*.² We have concentrated on two case studies: tourism and the land-based industries.

Principal Impacts of Housing on Key Worker Recruitment & Retention

A shortage of the right homes in the right places is having a significant impact upon key worker recruitment and retention across the South of Scotland.

We have heard directly from the employers of at least 24,380 staff, almost half (46%) of the workforce in the sectors covered by this study.



77%

More than three quarters (77%) of employers say that a lack of suitable housing is significantly affecting staff recruitment and retention.



2,330

The employers we have heard from say that 2,330 staff are being or will be affected – nearly 10% of a combined workforce of 24,000.

¹ South of Scotland Regional Economic Partnership 2024a

² South of Scotland Regional Economic Partnership 2021

Housing is most problematic for health and social care, schools, the police service and the land-based industries. It is a lesser problem for the fire service, public administration and tourism and not affecting the prison service. We have not identified significant impacts in Further/Higher Education and the *critical infrastructure* sectors.

HEALTH

Staffing is a major problem in health and NHS Borders and Dumfries & Galloway say that a lack of suitable housing is having a major impact, affecting as many as 1,040 staff or posts; 12% of the regional health workforce.

SOCIAL CARE

Recruitment and retention are significant problems in social care, and housing problems may be affecting 1 in 5 staff (19%) in the independent care sector and 730 Local Authority staff, i.e. 6% of the total Council workforce, with newly qualified social workers and entry level care support workers disproportionately affected.

EDUCATION

Schools are experiencing moderate staffing problems, and a shortage of suitable housing is a significant factor in both Council areas. Amongst Local Authority staff, newly qualified teachers are disproportionately affected by housing difficulties, alongside social workers and care support workers.

POLICING

Police Scotland has a moderate problem with staffing in Dumfries & Galloway, particularly in rural and westerly districts. A shortage of suitable housing is having a moderate impact, affecting 1 in 5 staff (20%).

TOURISM AND THE LAND-BASED INDUSTRIES

Most employers in these sectors are experiencing challenges with recruitment and retention, but the extent to which housing is a factor varies. For tourism businesses, housing problems are not the most significant concern, and the provision of more homes is a middling priority. For employers in the land-based industries, housing problems are more acute and a significant barrier to the recruitment of farm workers, recent forestry graduates and military leavers.

These findings should be seen in the context of recruitment forecasts for the decade ahead, 2024 to 2034. An estimated 43,600 people will need to be recruited across all sectors in the South of Scotland: 42,200 to replace existing staff and 1,400 to meet positive expansion demand.³ More than half of this total will be needed in the sectors covered in this study, including: 7,000 in health and social care; 3,700 in education; 1,900 in public administration; 6,300 in agriculture, forestry & fishing, and; 4,200 in accommodation & food services.

These estimates are policy and investment neutral, and more recruits may be needed to deliver the ambitious growth planned for some sectors. Nonetheless, even a cautious analysis demonstrates the scale of the staffing needs and the importance of addressing any housing barriers to recruitment and retention.

Priorities for Key Worker Homes

Based on the research, the most pressing priorities for Key Worker Homes are:

- ! More short-term rental housing for healthcare workers near the district general hospitals – Dumfries & Galloway Royal Infirmary and Borders General Hospital – and in western Dumfries & Galloway, especially Stranraer and Newton Stewart.
- ! More new-build family homes for doctors to buy in Dumfries.
- ! More dedicated key worker homes – especially affordable homes for rent – in rural areas across the region and the towns of Stranraer, Sanquhar, Galashiels, Hawick and Kelso. In allocating rentals, priority should be given to specialist healthcare professionals, social care staff, teachers and police officers/staff.
- ! More employer-provided staff accommodation in tourism and the land-based industries.
- ! More affordable rural housing to sustain and grow the young and working age population, addressing staffing challenges in various key worker sectors and the general needs of rural communities.

³ Skills Development Scotland 2024

Barriers to Delivering More Key Worker Homes

Participants in the research identified several legal, procedural and financial constraints on providing more key worker homes.

> SOCIAL HOUSING ALLOCATIONS

Registered Social Landlords can only accord key workers a low level of priority in their allocation policies. RSLs must give preference to applicants with needs relating to homelessness, unsatisfactory housing conditions and/or under-occupied social homes.

> MID-MARKET RENT

Suppression of Local Housing Allowance rates combined with low government grant benchmarks is making the development of new mid-market rent homes financially unviable for Registered Social Landlords in the South of Scotland.

> COMMUNITY LED HOUSING

The operation of Scottish Government funding schemes is making it difficult to finance CLH projects. There is uncertainty over the future of the *Rural Housing Fund* and, currently, a reluctance to back early-stage projects and make early conditional offers of grant. *The Rural Affordable Homes for Key Workers Fund* is not open to community organisations.

> NHS RESIDENCES

The demand for existing NHS short-term accommodation is greater than the supply. Some residences need refurbishment or are not suitable for staff who cannot share. The NHS lacks the financial resources to refurbish existing properties or develop additional housing.

> PLANNING PROCESS

Many medium and large tourism and land-based businesses are willing to meet their own staff accommodation needs but feel that the planning process is cumbersome. The tourism sector advocates planning dispensation for staff accommodation, through Permitted Development Rights, and wishes to see *Local Development Plans* align better with the regional tourism strategy and stronger relationships between planners and tourism businesses.

> TENANTS' RIGHTS

Occupation of a home by a key worker would typically be under a Scottish Secure Tenancy or Private Residential Tenancy, neither of which has a fixed term. The legal rights of tenants under SSTs and PRTs limit the circumstances under which an owner can recover vacant possession and could constrain use of a property solely for short-term key worker homes.

> SHORT TERM LETS

Many private landlords have licensed properties as Short Term Lets and taken them out of circulation for use as homes for local workers. Where a property is licensed as an STL, this does not extend to letting the property short term to people working for the owner and/or using it as their only or principal home.

Recommendations

The key worker housing needs are complex and varied, and the solutions must be diverse. Our recommendations concentrate on improving the general environment for developing individual projects and collaborations, and enabling the parties with a locus in each case to deliver more key worker homes.

DEFINING 'KEY WORKERS'

The term 'key worker' is best defined to reflect local circumstances and afford flexibility in meeting changing needs. Nonetheless:

- ! In defining 'key worker', we recommend that a broad distinction is maintained between workers in the *essential public services* and *critical infrastructure*, on the one hand, and those in *strategic economic sectors*, on the other.

To provide a sharp focus for action and clarify the rationale for any policy or decision, reference should be made to the purpose of and public interest in providing more key worker homes, and the balance between private and public benefits in any given case. Although the distinction is not absolute, the *essential public services* and *critical infrastructure sectors* have a strong public welfare and safety purpose, whereas the *strategic economic sectors* receive public support for their role in providing employment and delivering economic development.

It is also useful to distinguish between broad sectoral groups due to differences in who might deliver the key worker homes, what the main barriers might be and how delivery may be funded and enabled.

SUSTAINED FOCUS & COORDINATION

Some steps have already been taken towards addressing the housing shortages which are affecting key worker recruitment and retention. To address the problem fully, further action should be sustained, focused and coordinated.

To facilitate this, we recommend that:

- ❗ *The South of Scotland Strategic Action Group on Housing* should develop an action plan for delivering more key worker homes, informed by the findings and recommendations of this research.
- ❗ Local Authorities, South of Scotland Enterprise and others should (continue to) give definition and status to key worker housing needs through Local Housing Strategies, Local Development Plans and other local and regional policies and plans.
- ❗ Local Authorities, South of Scotland Community Housing and others should support communities to consider key worker housing needs when developing a Local Place Plan and/or undertaking a local assessment of housing need and demand.
- ❗ A project should be initiated to improve information sharing between key worker employers, Local Authorities and housing providers. The aim would be to develop, trial and implement a system which dynamically and effectively maps changing key worker housing needs against the available housing opportunities.⁴

ENABLING ENVIRONMENT

To meet the region's diverse key worker housing needs, employers should act where they can, mobilise their assets and resources, and lead on the development of partnerships. Housing providers of all kinds likewise have a leading role to play in building partnerships and should bring forward proposals for sharing, testing, adoption and support. Local Authorities, public bodies and the Scottish Government should act to promote collaboration, innovation and the delivery of more key worker homes where there is a pressing need and public interest in doing so.

We recommend that:

- ❗ Private enterprises should be supported – individually and collectively – to address their own needs where they are able to, progressing solutions, overcoming delivery barriers and sharing their learning.
- ❗ Employers in all sectors should leverage current and anticipated spending on worker accommodation. Funds spent on temporary fixes could be redeployed to help deliver more permanent and strategic solutions to the problem, working in partnership with others.⁵

⁴ Similarly, in its Action Plan for young people's housing, Scottish Borders Council proposed examining the potential and feasibility of a project to match suitable private landlords with tenants; Scottish Borders Council 2019, p22

⁵ This follows a similar recommendation from Prosper on rural housing in general (Prosper 2023)

- ❗ **Public landowners in the South of Scotland should review their land holdings to identify and release sites at effective prices for the development of key worker homes.⁶**

Where no suitable public sector land is available, or other land in active ownership for development, Local Authorities and South of Scotland Enterprise should consider using existing powers to buy, sell and hold land. Scottish Government should enable these actions as necessary and appropriate.

- ❗ **The public sector should further enable community led housing projects which deliver more key worker homes.**

Amongst other things, Local Authorities should work with community partners to identify and facilitate community asset transfers; Scottish Government should consider expanding the *Scottish Land Fund*, and; Planning Authorities should consider making greater use of s75 agreements to require Rural Housing Burdens in favour of community sector Rural Housing Bodies.

- ❗ **Housing grant schemes should be reviewed to enable social landlords and community housing providers to deliver more affordable key worker homes.**

In particular, the Scottish Government should consider opening the *Rural Affordable Homes for Key Workers Fund* to community organisations; amend the *Rural Housing Fund* process to provide early offers of conditional grant, following completion of initial project feasibility work, and; review the relevant benchmark for RSL mid-market rent relative to project viability. Dumfries & Galloway Council and Scottish Borders Council should consider how relevant funds could be reframed explicitly to target shortages in key worker homes in their respective areas.

- ❗ **South of Scotland Enterprise should fund and otherwise catalyse and support innovative collaborative projects to deliver key worker homes and demonstrate the viability and benefits of new approaches and models.**

⁶This recommendation follows national guidance on using surplus public land to deliver affordable housing, including for key workers, and Scottish Land Commission proposals on the land supply for rural housing (Scottish Government 2019, pp24,43-44; Scottish Land Commission 2025)

INTRODUCTION

INTRODUCTION

Across the South of Scotland, a lack of the right homes in the right places is known to be a problem for key worker recruitment and retention. But, while the problem is recognised, it is not precisely understood.

Our aim for this research is to inform efforts to deliver more key worker homes, which is a priority of the *South of Scotland Housing Action Plan*.⁷ In particular, we have sought to:

- 1 assess the need and demand for key worker homes in Dumfries & Galloway and Scottish Borders.
- 2 evaluate the impacts of any housing shortages on key worker recruitment and retention.
- 3 identify the main barriers to delivering key worker homes and potential solutions.

The research was delivered by South of Scotland Community Housing (SOSCH) in partnership with Dumfries & Galloway Council, Scottish Borders Council, Scottish Futures Trust and South of Scotland Enterprise. The analysis presented in this report is based on:

DESK RESEARCH

We have used official statistics⁸ and other public data to profile the workforce, map its distribution and identify individual workplaces. We have also reviewed workforce intelligence, staffing strategies and plans, local and national housing and planning policies, and information from employers and housing providers on existing key worker housing provision.

SURVEYS

We surveyed employers and combined our results with those from a previous survey by Dumfries & Galloway Council, undertaken earlier in 2024. We have also used data from a Scottish Borders Council survey and employer interviews by SOSCH, both from 2022.⁹

The combined SOSCH / Dumfries & Galloway Council survey data represents the experiences of **49 employers with a total of at least 24,380 staff, i.e. almost half (46%) of the workforce** in the sectors included in this study.

The data is particularly strong for the public service sectors, with submissions from the **employers of 72% of the total public services workforce in the South of Scotland.**

We also surveyed workers and received 126 valid responses. This is a small sample, and the results are not representative of the whole workforce, but they provide valuable insights into people's experiences and views. **91% of the responses are from public service workers** with education, social care and public safety & order particularly well represented.

⁷South of Scotland Regional Economic Partnership 2024a

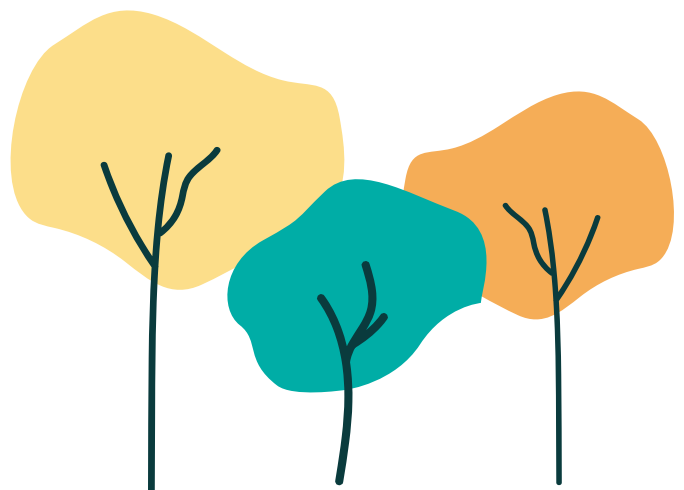
⁸Primarily: Office for National Statistics 2023 [Business Register and Employment Survey](#) (BRES); 2022 [Census](#) data on Economic Activity and Industry, and; National Records of Scotland [Mid-2023 Population Estimates](#).

⁹The SOSCH interviews were undertaken to inform a masterplan for the [Ladyfield](#) site in the Crichton Quarter, Dumfries.

FOCUS GROUPS, MEETINGS AND WORKSHOPS

To fill gaps in knowledge and gain deeper insight, we ran online focus groups and held one-to-one meetings with **NHS Dumfries & Galloway, NHS Borders, Police Scotland** and stakeholders in the **independent social care** sector, **tourism** and the **land-based industries**.

We also ran workshops in Dumfries and Hawick, attended by around **50 participants** from the regional **housing and construction** sectors, **local government, public bodies** and some of the **employers and communities** affected by the issues.



WHO IS A 'KEY WORKER'?

WHO IS A ‘KEY WORKER’?

There is no set definition of ‘key worker’, and it is generally thought best to define the term to reflect local circumstances and needs.¹⁰ Nonetheless, the following definition from 2015 is commonly cited:

“a ‘key worker’ should be defined as a public sector employee who provides an essential service this definition could also apply to low paid employees in the private sector/service industries who are also providing essential services.”

- Scottish Government *Affordable Housing for Key Workers Project Group*¹¹

A recent review of how key workers have been defined in practice by national and local government found that the emphasis tends to be placed on workers who promote public welfare and safety.¹² This includes public, private and third sector workers in the fields of health, social care and education; those who deliver emergency or critical welfare services (e.g. fire, police, prisons, social work), and; critical infrastructure workers and others who “perform essential tasks to keep the country running”.

Some definitions embrace a broader range of workers whose absence could have a significant impact on the country. For example, the *South of Scotland Housing Action Plan* and national *Rural & Islands Housing Action Plan*, in discussing key worker homes, cite the need to recruit and retain workers in key economic sectors to support economic growth and prosperity.¹³

With all this in mind, we included three broad groups of workers in the research:

ESSENTIAL PUBLIC SERVICES

Workers who provide services essential to public welfare and safety.

- ↳ This includes public, private and third sector workers in health; social care; education; public safety and order (police, fire, prison and court services), and; public administration (i.e. essential local and national government welfare and safety services, such as waste services and social security).

¹⁰ Scottish Futures Trust 2023, p2

¹¹ Scottish Government 2015, p3

¹² Scottish Futures Trust 2023, p2; Brodies 2023, paras 1.3-1.4

¹³ South of Scotland Regional Economic Partnership 2024a, p7; Scottish Government 2023a, p45

CRITICAL INFRASTRUCTURE

Workers who promote public welfare and safety, and support sustainable development, by providing and maintaining essential energy, water, communications and transport networks.

- ↳ This includes workers – in the private and public sectors – who routinely provide and maintain critical infrastructure and those who respond to civil emergencies threatening serious damage to human welfare and/or the environment. Critical infrastructure includes the electricity and mains gas networks; digital network; water supply, and; strategic road, rail and sea transport networks.

STRATEGIC ECONOMIC SECTORS

Workers who play a crucial role in the operation and development of strategically important sectors of the economy.

- ↳ By ‘strategically important sectors’, we mean those which are identified as such in the *Regional Economic Strategy*.¹⁴ It was not possible for us to consider all of these sectors within the research, so we have concentrated on two case studies – tourism and the land-based industries – which are existing strengths of the regional economy and important for its future development.¹⁵

In setting the scope of the research, we wanted to consider a broad range of circumstances. But, as detailed throughout the report, the extent to which housing is a factor in attracting and retaining staff varies, as do the nature of the problems and how and by whom they might be solved. In framing specific policies, plans and actions, it will be necessary to define ‘key worker’ more narrowly for the purposes at hand – see our recommendations at the front of the report.

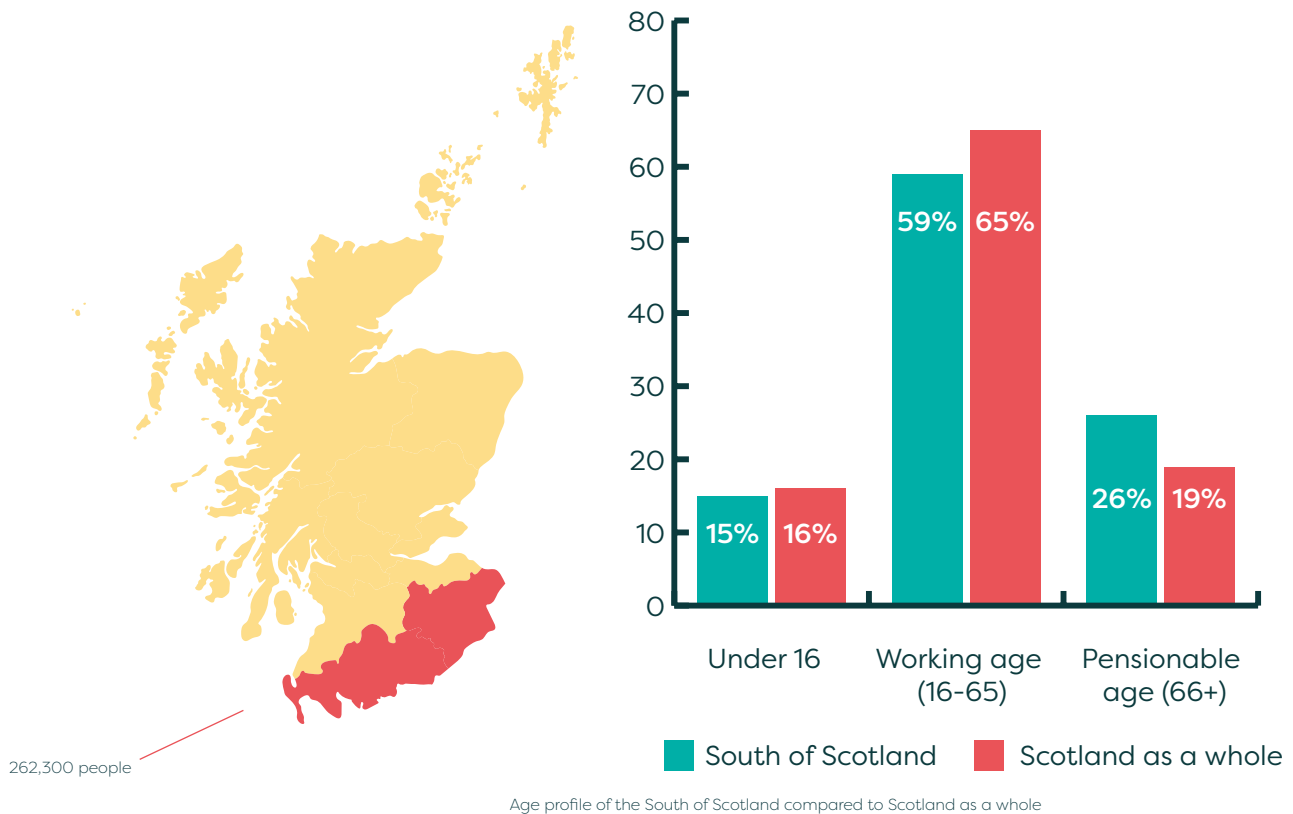


¹⁴ South of Scotland Regional Economic Partnership 2021

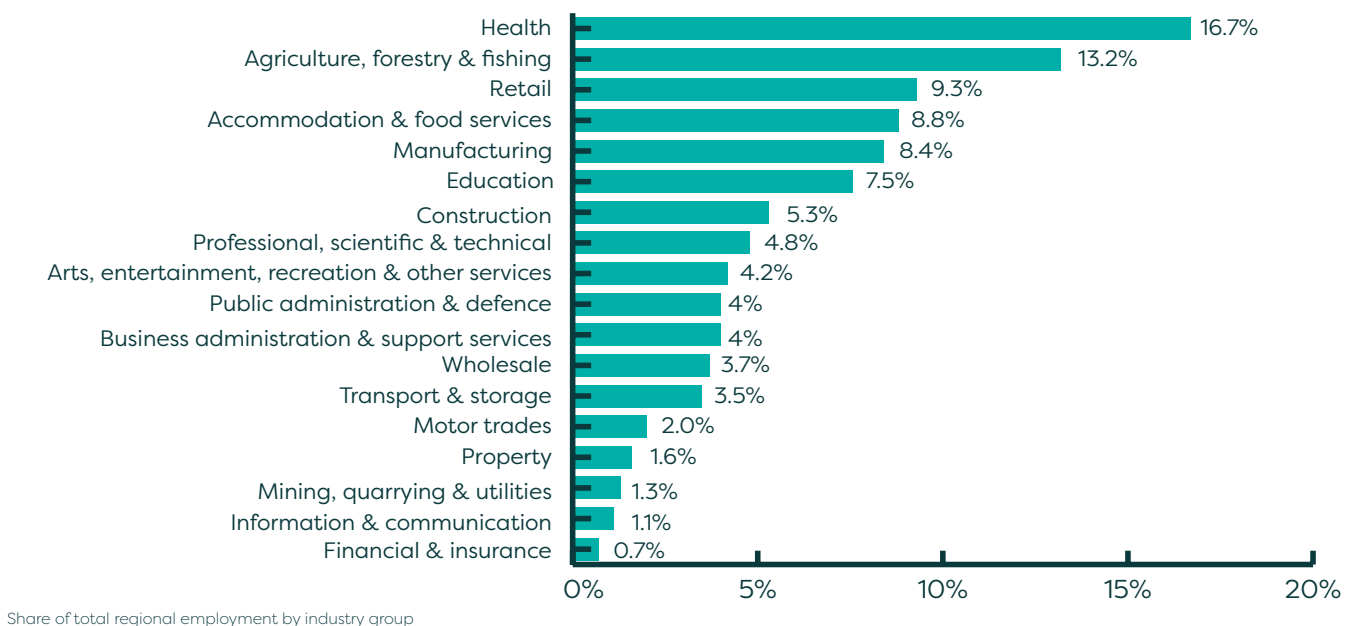
¹⁵ South of Scotland Regional Economic Partnership 2021; 2024b; 2024c

ABOUT THE SOUTH OF SCOTLAND

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262,300 people live in the South of Scotland, or just under 5% of the Scottish population. The regional population is older than average and continuing to age, with more people reaching retirement and fewer working age adults and children (although the young population is more stable in Scottish Borders than Dumfries & Galloway.)¹⁶ This trend is increasing demand for some services, such as social care, while making it more difficult to recruit new staff locally.

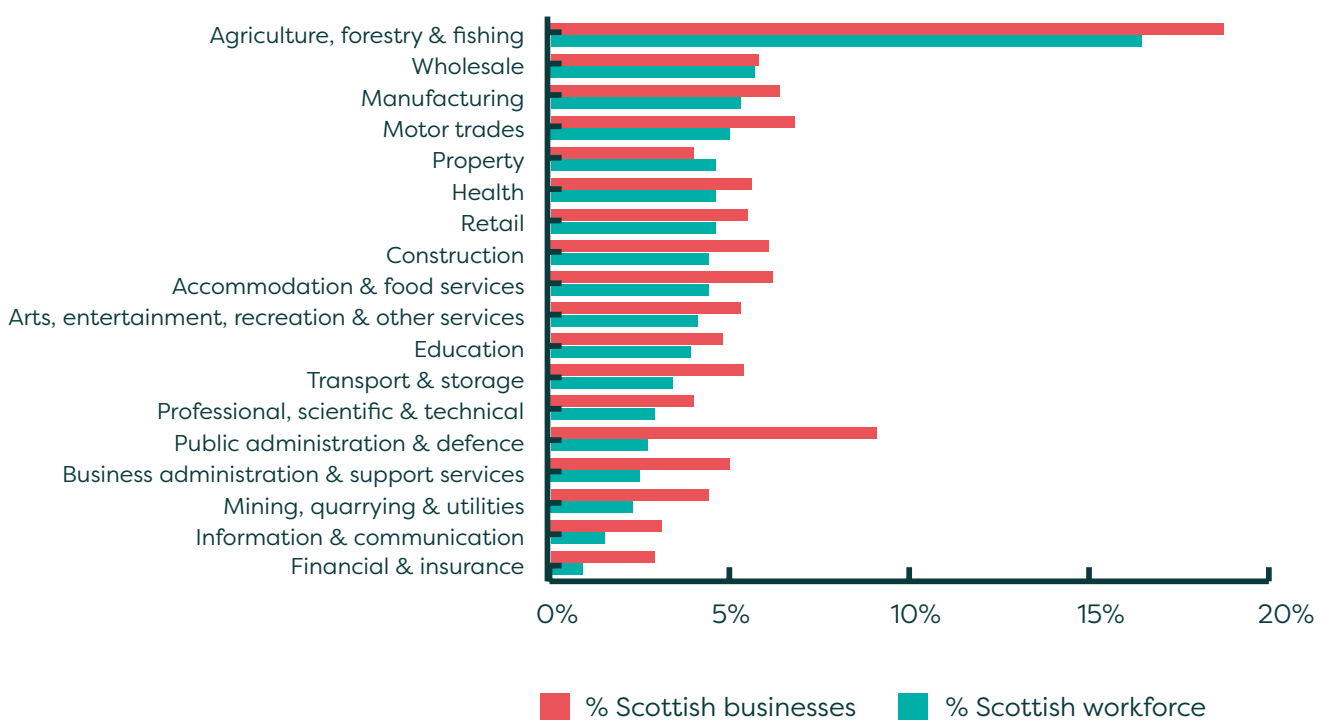


¹⁶ Dumfries & Galloway Housing Market Partnership 2024, p32; East Lothian Council *et al.* 2021; Indigo House 2018, p6

Around 127,000 people work in the South, including residents and those who commute in. Employment has declined by around 9% in the last ten years but is expected to grow by 1.5% to 2027 and then remain stable to 2034.¹⁷

The largest industries by employment are health, agriculture, forestry & fishing, retail and accommodation & food services, which together account for almost half of the total regional workforce.

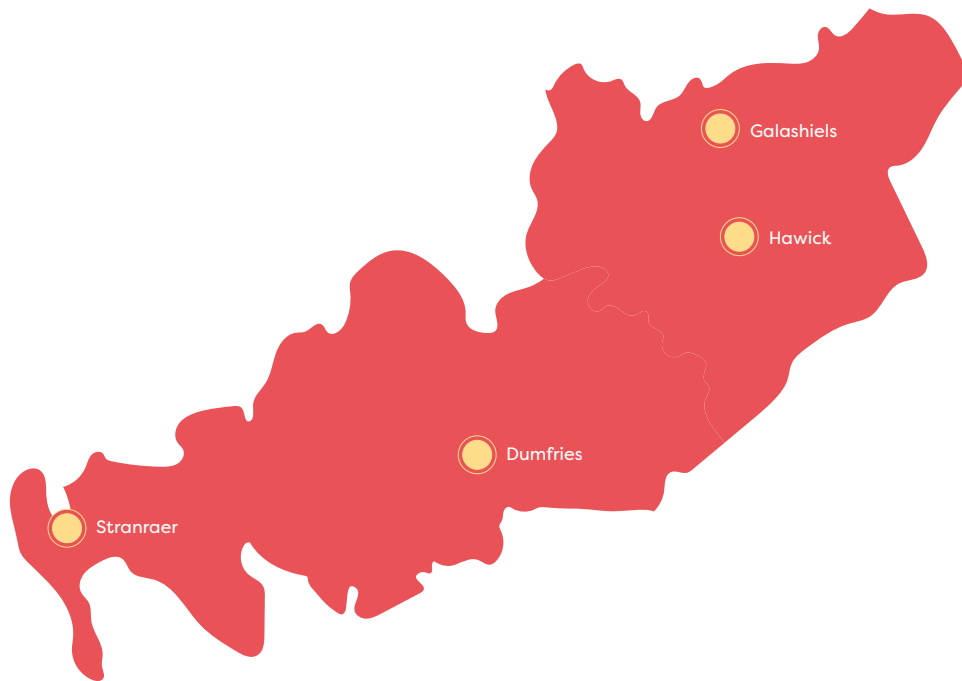
An estimated 53,614 people – 42% of the regional workforce – are engaged in the sectors included in this study.



Share of national employment and businesses by industry group

For some industries, the South of Scotland makes an outsized contribution to the economy and workforce of Scotland as a whole.

In agriculture, forestry & fishing, for example, the South provides 16.5% of the national workforce and is home to 18.8% of Scotland's businesses in this sector.



The South of Scotland is a rural region, with just four towns of 10,000 people or more: Dumfries, Galashiels, Stranraer and Hawick. This rurality affects staffing and housing across the region and sectors, but it does so variably. To account for this variety, we have mapped how the workforce of each sector is distributed across the main regional centres, local centres and rural areas.

REGIONAL CENTRES

The two main centres of Dumfries (and surrounds) and Galashiels (with nearby Melrose and Newton St Boswells) host regional headquarters, major facilities and staff from all our sectors. They have large *public services* workforces of around 10,000 and 7,000 people, respectively.

LOCAL CENTRES

13 towns – from Stranraer in the west to Eyemouth in the east – are hubs for their districts. They provide a greater variety of services than other towns and have *public services* workforces of 400 to 1,800 people.

RURAL AREAS

The remaining towns, villages and rural areas are diverse, not least in terms of how many key workers they host and from which sectors. In each of the sector profiles which follow, we have provided maps which indicate how each sectoral workforce is spread across the region.

SECTOR PROFILES

SECTOR PROFILES

> Essential Public Services



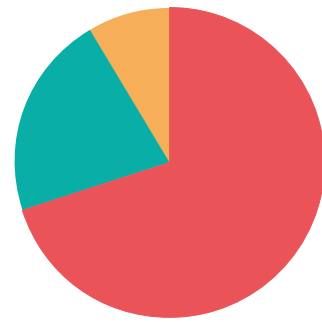
Health



Around **11,365 people** work in health, or **9% of the regional workforce.**

Workforce Distribution

- Regional centres **70%**
- Local centres **21.5%**
- Rural areas **8.5%**



The health workforce is highly concentrated. Just over half (56%) of workers are based in hospitals, with 5,500 at Dumfries & Galloway Royal Infirmary and Borders General Hospital and a further 860 at community hospitals and hubs, mental health units and other facilities across the South of Scotland.

Around 1,000 staff are based in medical practices, 500 in dental practices and 300 at ambulance stations in towns and villages across the region. An estimated 2,685 people work in other community healthcare roles, e.g. nurses, midwives and Allied Health Professionals (AHPs); over half of them are based in Dumfries and a third are co-located with other healthcare workers at primary care centres and community hospitals. 480 people work in pharmacies at 64 distinct locations.

NHS Dumfries & Galloway and NHS Borders say that staff recruitment and retention is a major problem.

There are widespread staff shortages and vacancies, including for medical staff, GPs, nurses, health visitors, midwives, dentists, dental care professionals, AHPs, pharmacists and pharmacy technicians.¹⁸ A growing proportion of staff are nearing retirement, while there is a shrinking local working age population and competition with other sectors for the recruitment of young people. Historically, nurses and some others have been trained and recruited locally but, to fill vacancies, there is increasingly a need to look further afield, including internationally. Some professions have always been recruited from outwith the region, e.g. because there are no university training options in the area for doctors and AHPs. It can be difficult to attract staff to relocate to rural places.

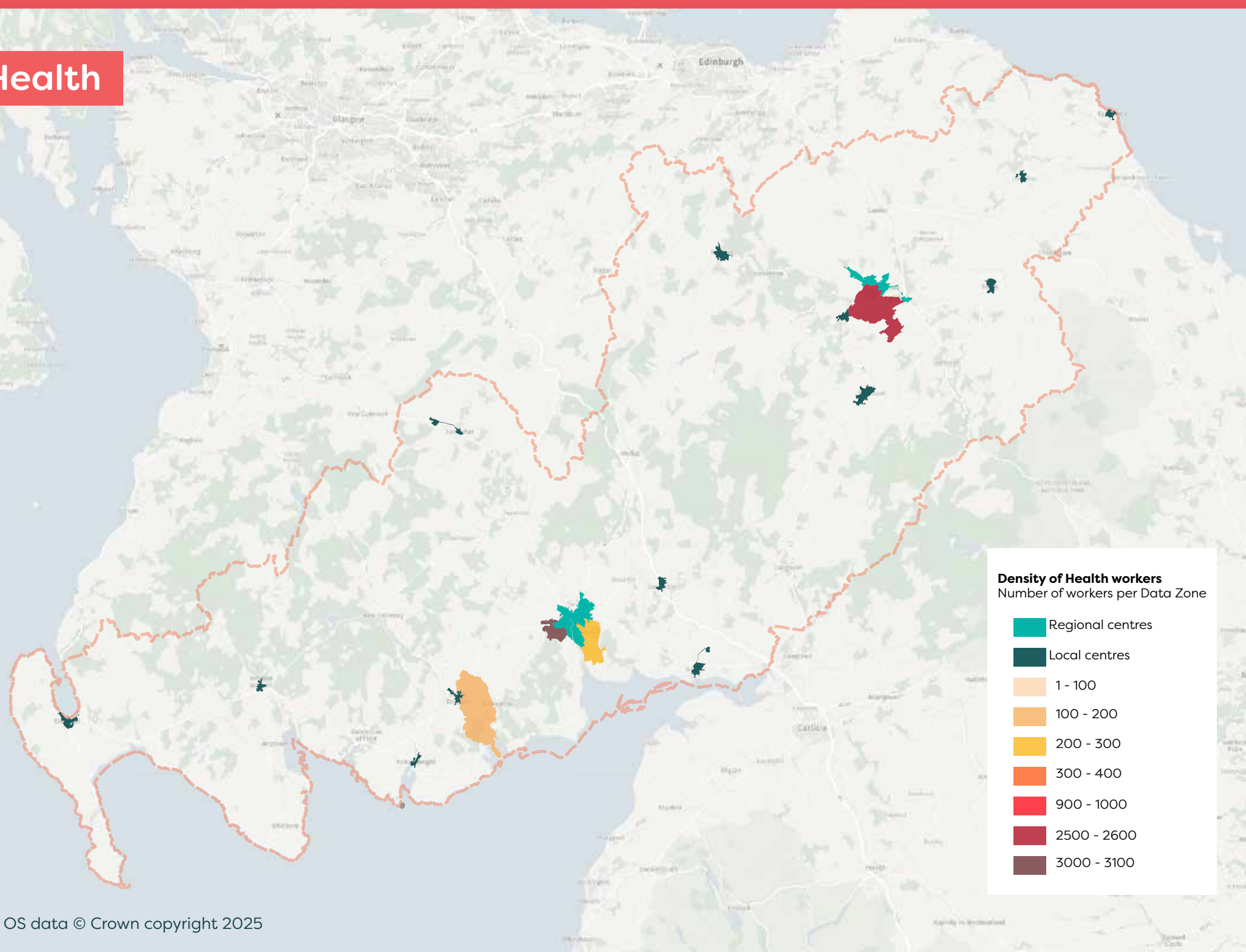
Taking health and social care together, an estimated **25% of the workforce will need to be replaced** in the decade to 2034 due to retirement and other factors. **The workforce will also need to grow by 5% to meet increasing demand.**¹⁹ These estimates may change depending on future policy and investment decisions.

¹⁸ Dumfries & Galloway Integration Joint Board 2022; 2024; Scottish Borders Health & Social Care Partnership 2022; evidence from our own research

¹⁹ Skills Development Scotland 2024



Health



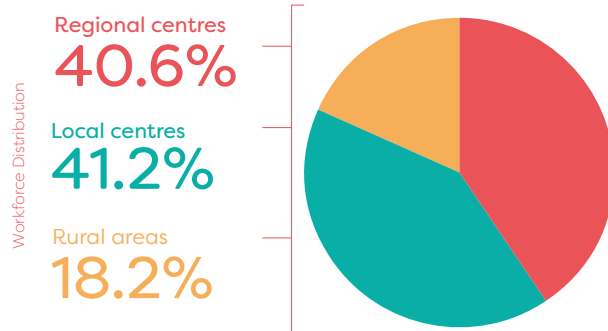
> Essential Public Services



Social care



Around **8,625 people** work in social care, or **6.8% of the regional workforce.**



More than three quarters of social care staff are employed by independent care providers, and the remainder by the two Local Authorities. Around 3,380 people (39%) work in residential care and 5,245 (61%) in non-residential social work for the elderly or disabled, counselling, welfare and refugee services, and child day care. The workforce is evenly split between the regional and local centres and – compared to health – a higher proportion is based in smaller towns, villages and rural areas.

78% of independent care providers say that they are facing major or moderate problems with recruitment and retention. Dumfries & Galloway and Scottish Borders Councils are experiencing moderate problems with recruitment for social care and other services.

There are staffing difficulties in residential care, the care at home sector and social work, but the experience varies.²⁰ Smaller residential care providers struggle more than larger ones, and rural providers more than those in the larger towns. Staffing is more of a challenge for the care at home sector than for care homes. Staff shortages are impacting upon the ability of some providers to deliver care packages and fully meet their contractual obligations.

²⁰ Dumfries & Galloway Council 2024a; 2024b; 2024c; Dumfries & Galloway Integration Joint Board 2022; 2024; Scottish Borders Health & Social Care Partnership 2022; evidence from our own research

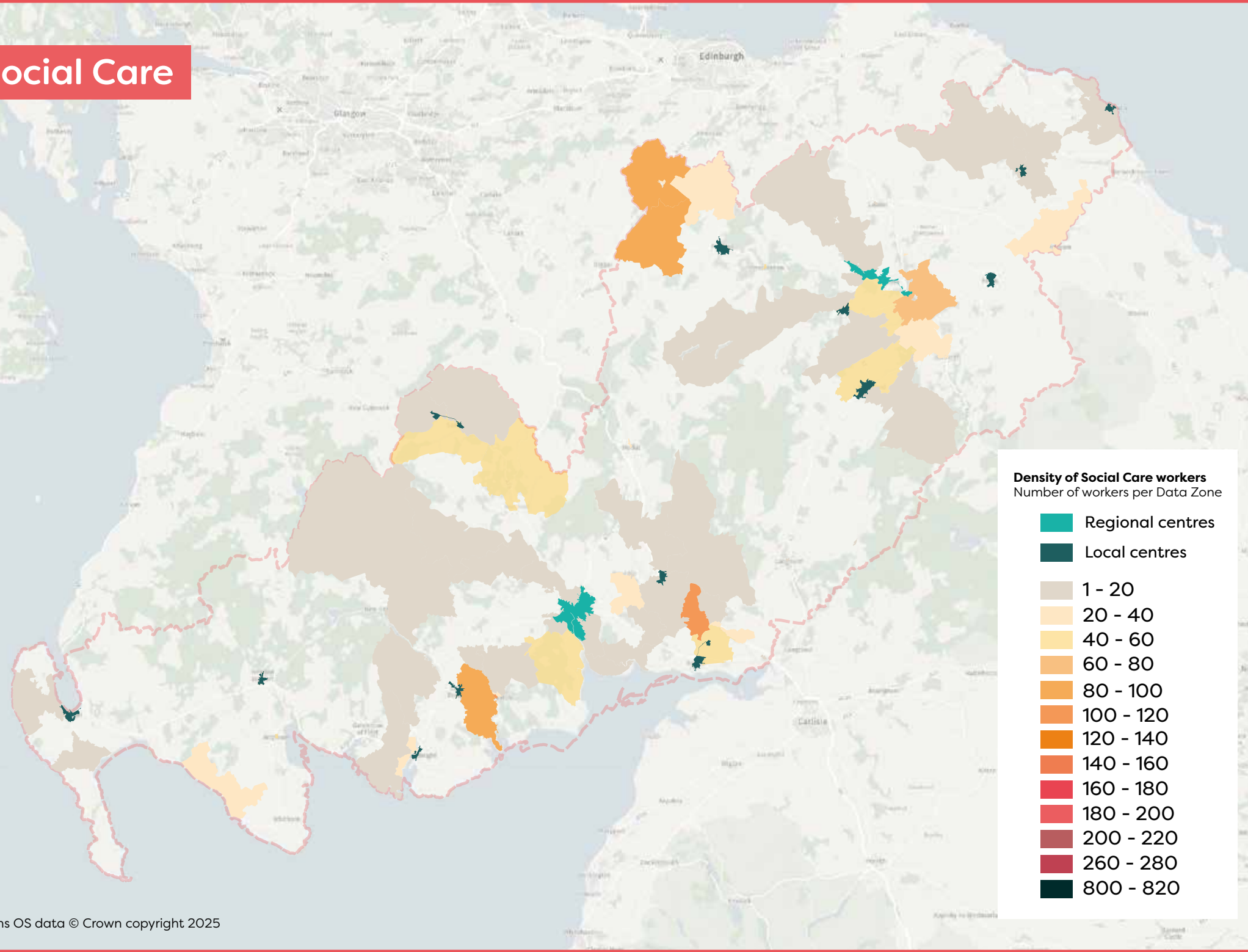
For care homes and care at home providers, staffing problems are driven by low pay, the perception that social care is not an attractive career, and staff feeling undervalued and unsupported. There is competition for staff between the social care, retail and hospitality sectors, and within social care as staff leave the independent sector seeking better pay and conditions in Local Authorities and the NHS. In Dumfries & Galloway, international recruitment has helped to address the staffing crisis in care homes and some care at home providers are now also taking this route. Care homes in Scottish Borders continue to be able to recruit locally.

For social work employers in Dumfries & Galloway, there are difficulties in recruiting and retaining staff, especially more experienced social workers. Static staffing levels, growing demands and more complex cases have pushed adult social work into crisis, and rates of pay are lower in Dumfries & Galloway than in other Local Authorities across Scotland. Staffing difficulties have also been experienced in Scottish Borders, but the Council there reports that the social work vacancy position has improved due to a 'grow your own' scheme for retraining existing Council staff.

As noted for health, **25% of the regional health & social care workforce will need to be replaced** in the decade to 2034 and **the workforce will also need to grow by 5% to meet increased demand.**



Social Care



Density of Social Care workers
Number of workers per Data Zone

 Regional centres

 Local centres

 1 - 20

 20 - 40

 40 - 60

 60 - 80

 80 - 100

 100 - 120

 120 - 140

 140 - 160

 160 - 180

 180 - 200

 200 - 220

 260 - 280

 800 - 820

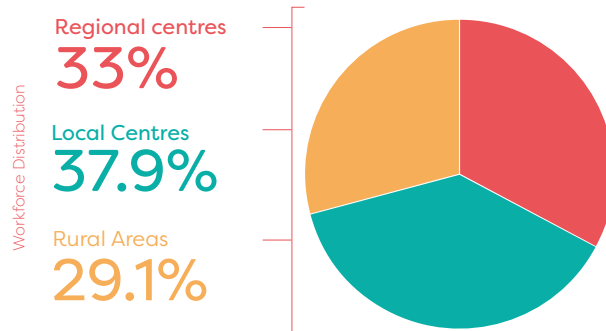
> Essential Public Services



Education



Around **7490 people** work in education, or **6.7% of the regional workforce.**



Most education staff – 6,200 or 83% – work in schools. There are 151 primary schools dispersed across the region, with two thirds located in smaller towns, villages and rural areas. 27 secondary schools are situated in the regional centres, local centres and other towns. There are also 93 Council-run Early Learning facilities, alongside private and third sector preschools and nurseries.²¹

Seven colleges and universities have campuses in the region, with a combined workforce of around 1,100. This workforce is highly concentrated, with most staff based in Dumfries and Galashiels or nearby. The largest group is at The Crichton in Dumfries which hosts Dumfries & Galloway College, the Open University (in partnership with D&G College) and the universities of Glasgow and the West of Scotland. SRUC's Barony Campus lies 10 miles Northeast of Dumfries. The second largest group is at the Scottish Borders Campus in Galashiels (Borders College and Heriot-Watt University) and the nearby Borders College facilities at Tweedbank and Newtown St Boswells. Borders College also has facilities in Hawick and D&G College / the Open University in Stranraer.

Council education services are experiencing moderate problems with recruitment and retention.

²¹ Note: the child day care workforce is counted in the social care sector.

Most of our information comes from Dumfries & Galloway, where primary teachers are traditionally recruited and trained locally and secondary school staff are drawn from a wider catchment to cover the range of subject specialisms.²² With an ageing local population, it is becoming more difficult to recruit new primary teachers from within Dumfries & Galloway and – for all levels of education – it is generally a challenge to recruit teachers to rural locations, especially the western districts.

We have not heard of significant problems with recruitment and retention in Further and Higher Education.

An estimated **37% of the regional education workforce will need to be replaced** in the decade to 2034 and, overall, **the workforce is forecast to shrink by 1%** by that year.²³

Within this broadly stable picture there will be some variation. For example, the number of children aged 0-15 is declining significantly in Dumfries & Galloway but more stable in Scottish Borders.²⁴ And the situation in Further and Higher Education is potentially different than that in schools: skills and training is a strategic priority for economic development, which is leading to investment in the region's FE and HE sectors.²⁵

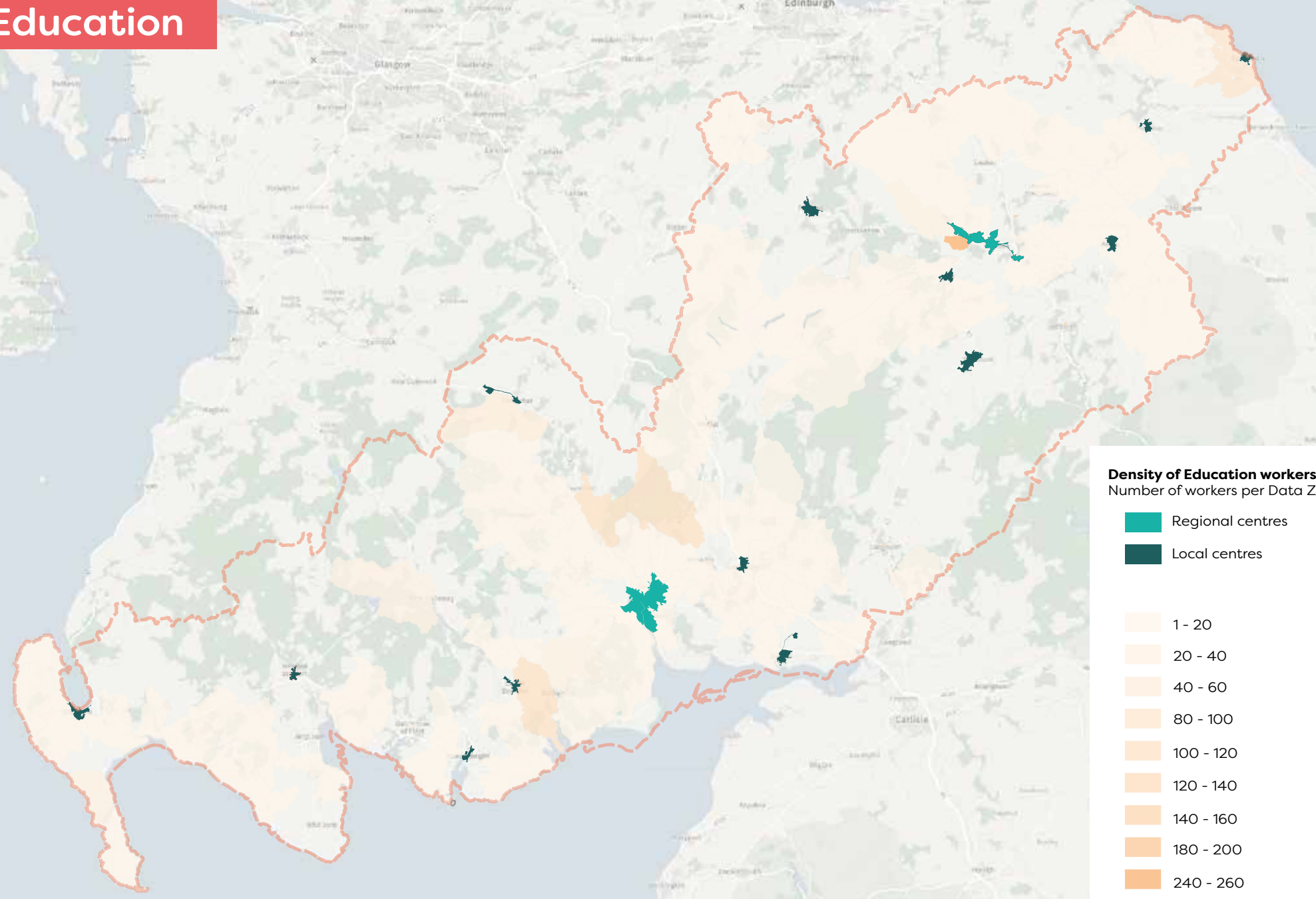
²² Dumfries & Galloway Council 2024a; evidence from our own research

²³ Skills Development Scotland 2024

²⁴ Dumfries & Galloway Council 2024a, p18; Indigo House 2018, p6

²⁵ South of Scotland Regional Economic Partnership 2021, pp22,26; University of Cumbria & RSMUK 2021, p54

 Education



Density of Education workers
Number of workers per Data Zone

-  Regional centres
-  Local centres

-  1 - 20
-  20 - 40
-  40 - 60
-  80 - 100
-  100 - 120
-  120 - 140
-  140 - 160
-  180 - 200
-  240 - 260
-  640 - 660

> Essential Public Services



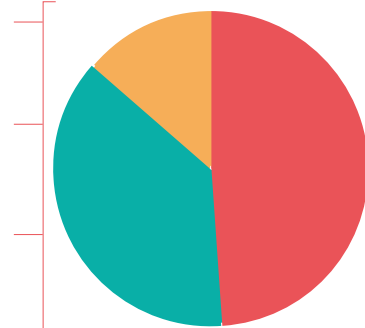
Public safety & order



Around **1,595 people** work in public safety & order, or **1.3% of the regional workforce**.

Workforce Distribution

Location	Percentage
Regional centres	49.8%
Local centres	36.4%
Rural areas	13.8%



The public safety & order sector includes the police, fire & rescue, prison and courts & tribunals services. Its workforce is relatively concentrated: around half is in the two regional centres and just over a third in local centres; the police and fire services also have staff in rural areas.

Around 840 Police Scotland officers and staff work in the region, including community police, response police, divisional road police and those working in the Divisional Criminal Investigation Department and Public Protection Units, as well as Border Police Command. Police officers and staff are based at the Divisional HQ in Dumfries, the Cairnryan and Loch Ryan ferry terminals, and local police stations and offices across the region.

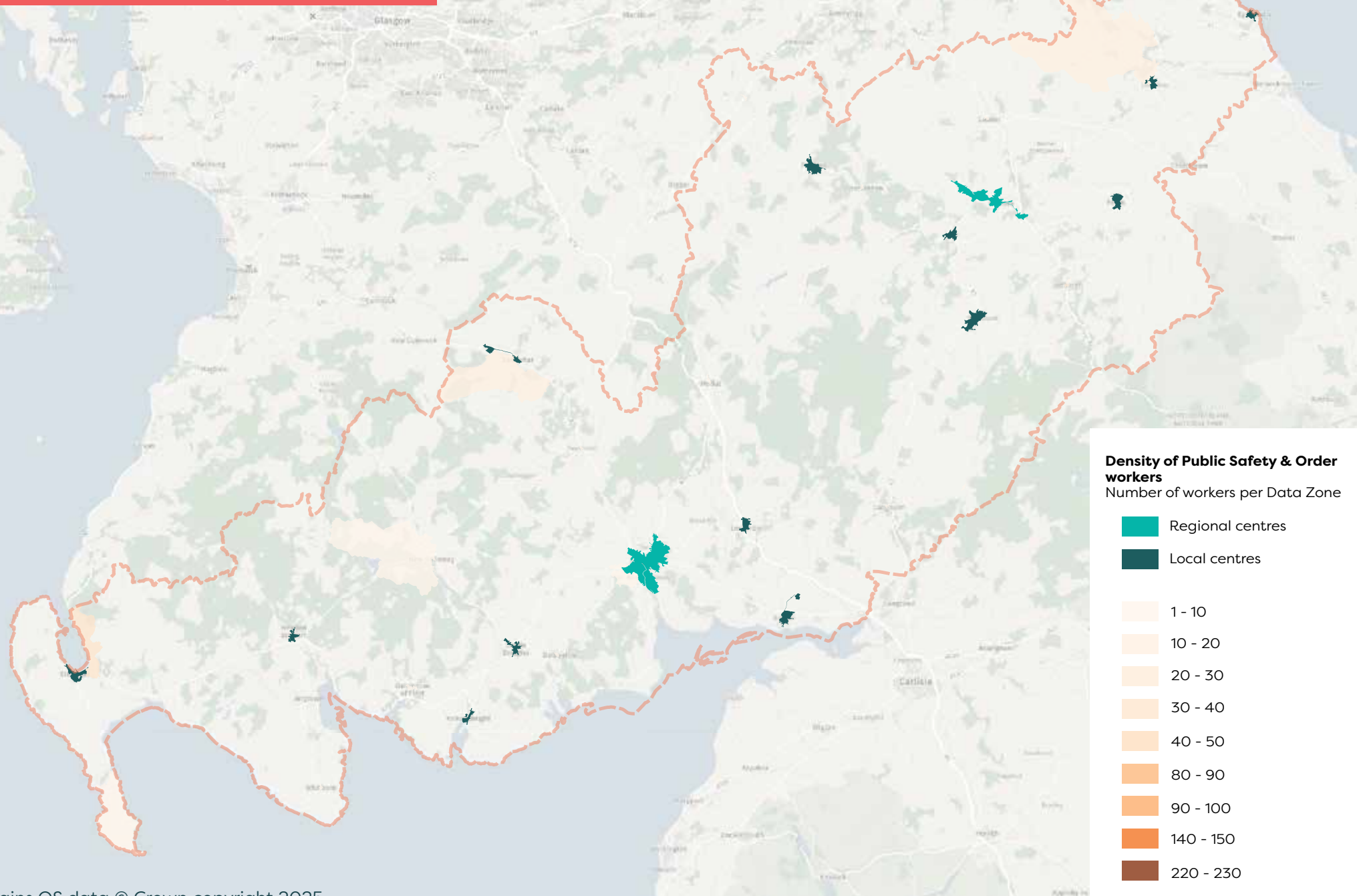
Around 480 staff work for the Scottish Fire & Rescue Service at 30 fire stations and the Fire Training Centre near Dumfries. Nearly all stations are staffed by retained (i.e. part-time, on-call) firefighters; three – in Dumfries, Galashiels and Hawick – are staffed by both whole-time and retained firefighters.

The Scottish Prison Service has around 150 staff at HMP Dumfries. The Scottish Courts & Tribunals Service has staff at courts in Stranraer, Dumfries, Jedburgh and Selkirk. Through our surveys, we have heard from the Scottish Prison Service, Police Scotland and the Scottish Fire & Rescue Service.

Police Scotland have a moderate problem with recruitment and retention in Dumfries & Galloway, particularly in the more rural and westerly parts of the region.

The SPS say that recruitment and retention is not a problem for them at HMP Dumfries. Staffing is a minor problem for the Scottish Fire & Rescue Service in Dumfries & Galloway, and – given the preponderance of on-call firefighters – their main concern is the declining working age population, with diminishing pools of potential recruits around fire stations.

Public Safety & Order



> Essential Public Services



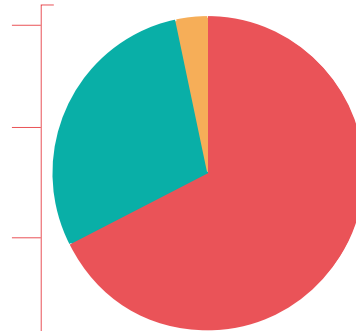
Public administration



Around **3,560** people work in public administration, or **2.8% of the regional workforce.**

Workforce Distribution

Location	Percentage
Regional centres	67.7%
Local centres	29.2%
Rural areas	3.1%



As defined here, public administration includes staff working for Local Authorities in roles other than social care and education as well as those working for the Scottish Government, UK Government, public bodies and private companies which operate in relevant fields.

The public administration workforce is centralised, with two thirds in the regional centres and most of the remainder in local centres. Local government staff are based at the Council headquarters in Dumfries and Newton St Boswells and at 'customer service' or 'contact' centres, recycling and waste facilities and other premises across the region. Several Scottish Government agencies and public bodies have offices in the region, including South of Scotland Enterprise, the Scottish Environmental Protection Agency and the Scottish Public Pensions Agency. The UK Department of Work & Pensions has jobcentres in the regional centres and four local centres. In addition, around 200 workers are engaged in decommissioning the former nuclear power station at Chapelcross, and others are employed by commercial waste management and recycling firms, e.g. in Dumfries and Stranraer.

Both Local Authorities are experiencing moderate problems with recruitment and retention.

Amongst other things, recruitment and retention problems are being driven by depopulation, an ageing workforce and decreasing working age population; lower wages; fewer professional roles in the South of Scotland than elsewhere, and; national and/or local skills shortages.²⁶

An estimated **39% of the regional public administration workforce will need to be replaced** in the decade to 2034 to maintain intended staffing levels. Overall, **the workforce is forecast to shrink by 8%** by that year, compounding reductions of around a third which have already taken place.²⁷

²⁶ Dumfries & Galloway Council 2024a; evidence from our own research

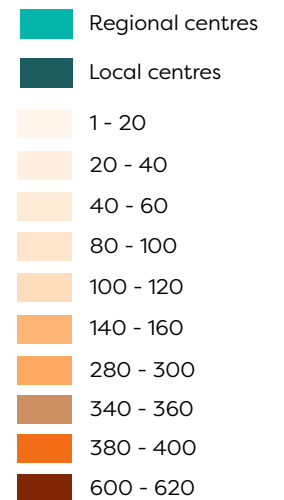
²⁷ South of Scotland Regional Economic Partnership 2021, p20; Skills Development Scotland 2024; Dumfries & Galloway Council 2024a, pp3,22



Public Administration

Density of Public Administration workers

Number of workers per Data Zone



> Critical infrastructure



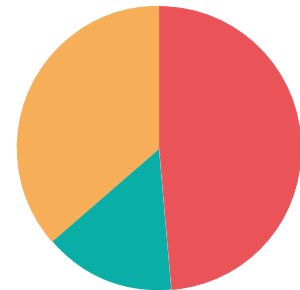
Critical infrastructure



Around **800 people** work in critical infrastructure, or **0.6% of the regional workforce**.

Workforce Distribution

Location	Percentage
Regional centres	48.8%
Local centres	15%
Rural areas	36.2%



Around half of the local critical infrastructure workforce operates from offices, depots and facilities in the regional centres and over a third are based at rural installations. Although recorded as having one main workplace, many workers are mobile and cover a wide 'patch'.

SP Energy Networks has 160 electricity transmission/distribution workers in the region and offices in Dumfries and Galashiels. 60 gas distribution workers are based at SGN's offices in Dumfries and GNI (UK)'s Beattock and Brighouse Bay gas compressor stations. 230 water and sewage workers are employed by Scottish Water at offices and depots in Dumfries and Stranraer and wastewater treatment works across the region. 70 communications workers are based at BT/Openreach depots in Dumfries and Peebles or with private firms in Newton St Boswells. Around 130 workers operate the road network and provide related services, and 150 work at the ports on Loch Ryan.

Critical infrastructure employers have varying experiences of and forecasts for recruitment and retention. Some are facing difficulties recruiting sufficient staff to maintain current workforce levels, while others are not. Some, though not all, are seeking to expand their workforces to deliver planned infrastructure projects and meet public priorities for renewable energy development and the resilience and connectivity of rural areas.²⁸

Through the research, we have heard directly from SP Energy Networks and Openreach.

SP Energy Networks currently has moderate recruitment and retention problems in Scottish Borders and is seeking to more than double its electricity transmission workforce in central and southern Scotland.

²⁸ See e.g. Scottish Government 2023b, pp103,111,119; Scottish Borders Council 2024, Policies ED6, ED9; SP Energy Networks 2023a; 2023b; 2024; SGN 2024a; 2024b; 2024c

Openreach is not having problems recruiting and retaining staff in the South of Scotland.

Based on published information, SGN plans to expand its national workforce to replace retiring staff and facilitate new working practices. This workforce is spread across Scotland and southern England, and we have not established how many new workers will be in the South of Scotland.

It is not clear if there are problems with staffing in the water and transport sectors. Overall, the water workforce is expected to shrink slightly over the decade to 2034.²⁹ Improvements to the transport infrastructure around Stranraer and Loch Ryan have been designated a 'national development' in the *National Planning Framework*³⁰ but, if additional workers are required for this, it may be that they will be brought in temporarily from outwith the region.

²⁹ Skills Development Scotland 2024

³⁰ Scottish Government 2023b, p111



Critical Infrastructure

Density of Critical Infrastructure workers Number of workers per Data Zone

- Regional centres
- Local centres

- 1 - 10
- 10 - 20
- 20 - 30
- 30 - 40
- 40 - 50
- 90 - 100
- 140 - 150
- 200 - 210

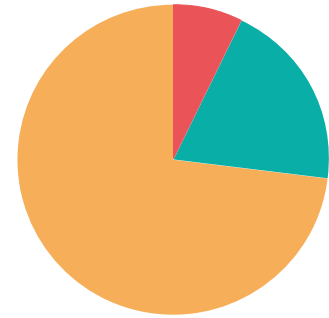
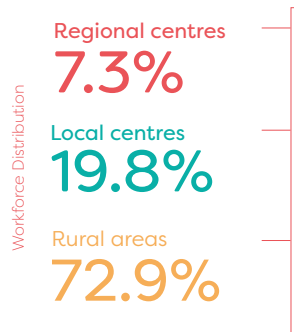
> Strategic economic sectors



Land-based industries



Around **8,344 people** work in the land-based industries, or **6.6% of the regional workforce**.



The land-based industries are an established strength of the South of Scotland economy³¹ and include farming, forestry, logging and timber processing, land management, nature conservation and others. Workers in this sector are predominantly based in rural areas.

77% of the employers we have heard from in the land-based industries are experiencing major or moderate problems with recruitment and retention or expect to soon.

This finding from our surveys aligns with evidence gathered by *South of Scotland Enterprise*³² which shows that staffing has become more challenging in a climate of increasing costs, driven by the UK's exit from the EU and Russia's invasion of Ukraine. Many businesses have responded to these circumstances by postponing investment and using up cash reserves.

An estimated **80% of the workforce in the land-based industries will need to be replaced** in the decade to 2034. Overall, **the workforce is forecast to shrink by 3% by 2034 without further intervention.**³³

However, while – in a policy and investment neutral analysis – the sector might be forecast to contract, there are opportunities for employment growth given that land is a pillar of the *Regional Economic Strategy and the Borderlands Inclusive Growth Deal*.³⁴ The *South of Scotland Regional Land Use Framework* outlines the role of the land-based industries in delivering regenerative agriculture, meeting demand for wood products and achieving society's goals for nature and the climate through woodland planting and management, peatland restoration, sustainable farming and other means.³⁵

³¹ South of Scotland Regional Economic Partnership 2021, pp18,30

³² South of Scotland Enterprise 2022a; 2022b; 2023

³³ Skills Development Scotland 2024



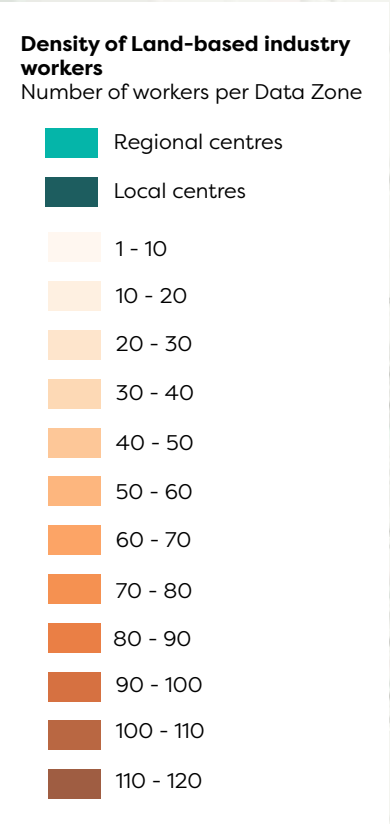
Across Scotland, the size of the farming workforce remained stable between 2011 and 2021, while the forestry workforce expanded by around 50%; this growth mainly took place in rural Local Authority areas, with important implications for the sustainability of rural communities.³⁶

³⁴ South of Scotland Regional Economic Partnership 2024d, pp4,10,11; UK Government et al. 2021, pp12-13,20-22; see also Convention of the South of Scotland 2024a; 2024b; University of Cumbria & RSMUK 2021, p48

³⁵ South of Scotland Regional Economic Partnership 2024c

³⁶ Atterton, Glendinning & Tiwasing 2023, pp1,37-8

 Land-based Industries



> Strategic economic sectors



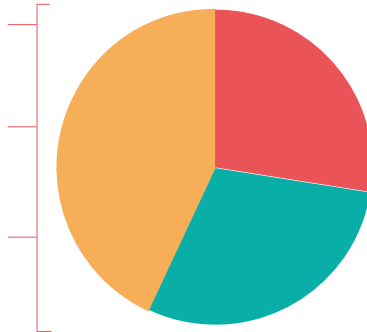
Tourism



Around **11,835 people** work in tourism, or **9.3% of the regional workforce.**

Workforce Distribution

Location	Percentage
Regional centres	27.6%
Local centres	29.5%
Rural areas	42.9%



Tourism has a markedly rural character in this part of the country, with over 70% of the workforce situated in rural areas and local centres. The sector is a strength of the South of Scotland economy³⁷ and a major employer.

Over half (53%) of the workforce is in hospitality, including restaurants, cafés, pubs, clubs and other food & catering services. Around 35% is in visitor accommodation: the majority in hotels and similar premises and others at camping grounds, trailer parks and other sites. The remaining 12% delivers cultural, leisure and recreational services for visitors, as well as residents.

75% of tourism employers are experiencing major or moderate problems with staff recruitment and retention or expect to soon.

This finding from our surveys is corroborated by wider evidence. Surveys by *South of Scotland Enterprise* in 2022 and 2023 – carried out in the wake of the pandemic and during the cost crisis – show that many tourism businesses have responded to adverse conditions by delaying investment in new staff and/or making redundancies, amongst other things.³⁸ Businesses reported that staff were working at or beyond capacity, with low morale and increased absence.

³⁷ South of Scotland Regional Economic Partnership 2021, pp15,30

³⁸ South of Scotland Enterprise 2022a; 2022b; 2023

In 2024, sector engagement by South of Scotland Destination Alliance found that the business climate was still hampering investment, and staffing problems are being driven, amongst other things, by poor perceptions of careers in tourism, low rates of pay, a lack of structured career paths and competition with other sectors and regions.³⁹

An estimated **53% of the tourism workforce will need to be replaced in the decade to 2034** to maintain current staffing levels, and **the workforce is forecast to grow by a further 2.5%** in that period, based on a policy and investment neutral analysis.⁴⁰

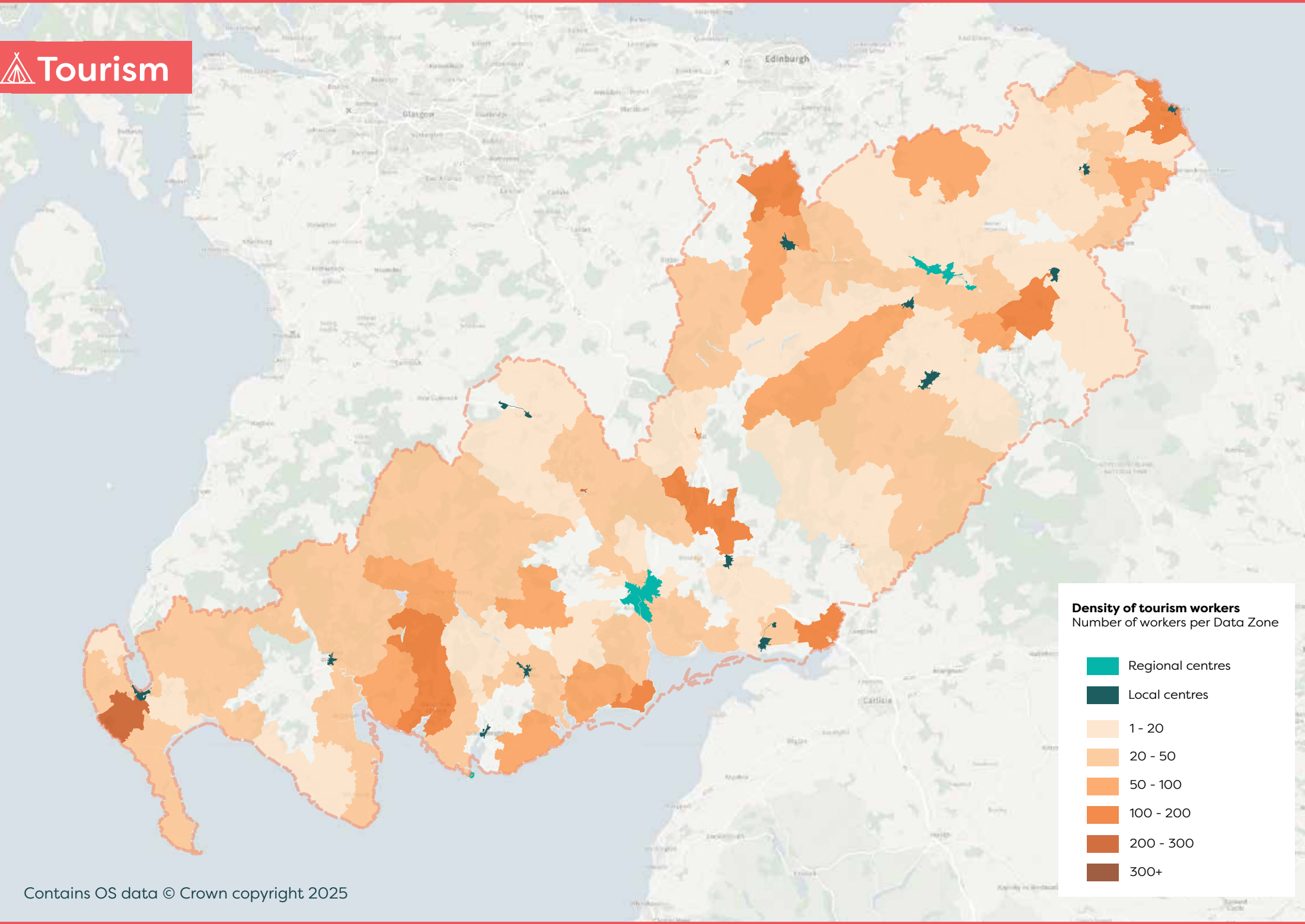
However, further interventions could lead to the workforce growing by a much larger proportion: the *Tourism Strategy for the South of Scotland* sets the goal of increasing employment in the sector by 6,000 FTE posts by 2034⁴¹ and major investments are being made under the *Borderlands Inclusive Growth Deal* and other initiatives.⁴²

³⁹ South of Scotland Destination Alliance 2024; see also Convention of the South of Scotland 2024a; 2024b

⁴⁰ Skills Development Scotland 2024

⁴¹ South of Scotland Regional Economic Partnership 2024b, p11

⁴² UK Government, Scottish Government & others 2021



Density of tourism workers
Number of workers per Data Zone

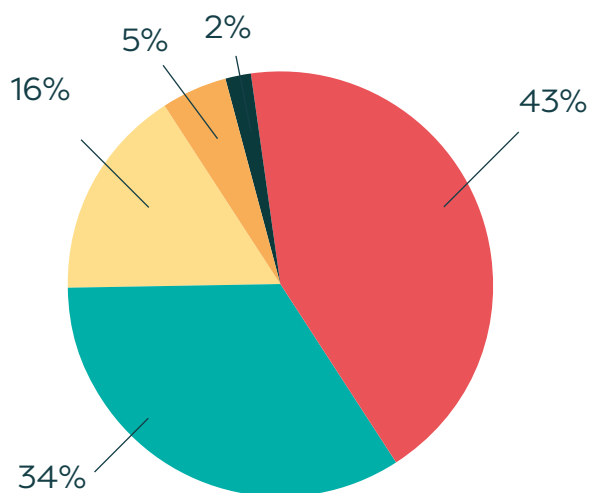
-  Regional centres
-  Local centres
-  1 - 20
-  20 - 50
-  50 - 100
-  100 - 200
-  200 - 300
-  300+

KEY WORKER HOMES - NEED & DEMAND

KEY WORKER HOMES - NEED & DEMAND

ALL SECTORS

Is access to suitable housing impacting upon your organisation's efforts to recruit and retain staff?



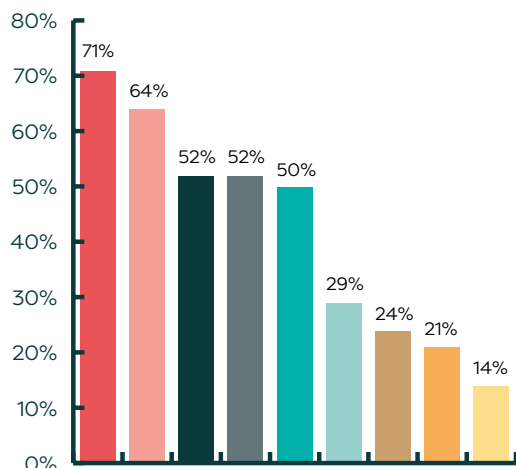
(responses: n.44)

! 93% of employers say that a lack of access to suitable housing is impacting upon recruitment and retention.

! 77% say it is having a major or moderate impact, or they expect it to.



Which factors are contributing to recruitment and retention problems or might do in the future?

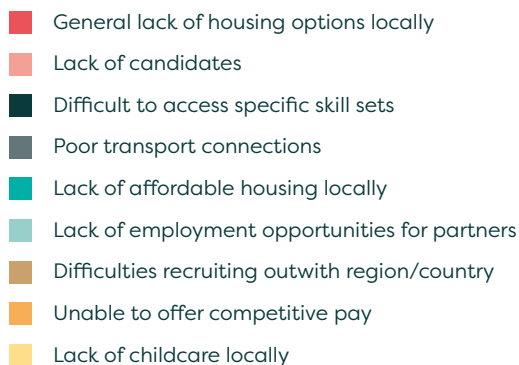


(responses: n.42)

! A general lack of local housing options is the number one issue for employers.

! 71% said that this was a factor.

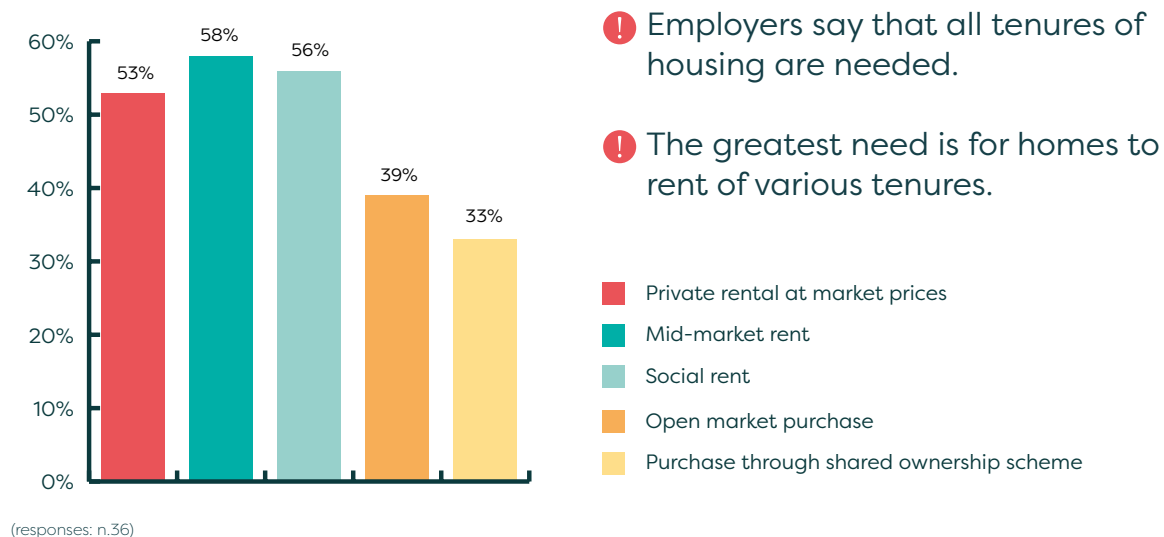
! 50% said that a lack of affordable housing is a factor.



We asked employers to estimate the proportion of their workforce affected by difficulties finding suitable housing, or which might be affected in the next 5 years.

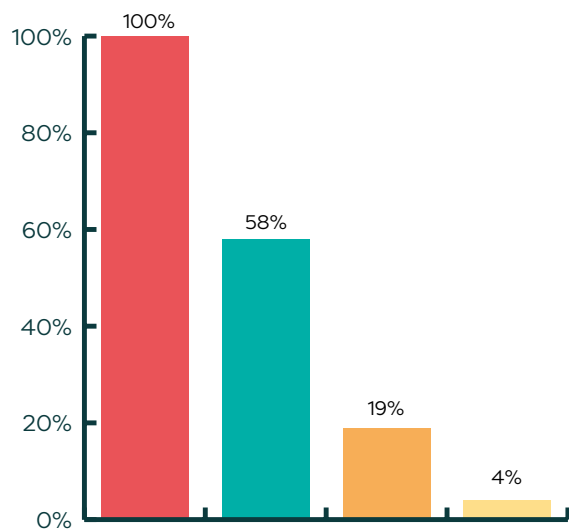
- ! **Employers estimate that 2,330 staff are being or will be affected by difficulties finding housing – nearly 10% of a combined workforce of 24,000 people.**⁴³
- ! **Difficulties finding suitable housing are thought to be affecting 12% of health workers, 19% in independent social care, 20% in policing, 20% in electricity transmission/distribution, and 54% in the land-based industries and tourism taken together.**⁴⁴
- ! **Numerically, housing issues are having the greatest impact in the *public service* sectors, affecting 2,073 in a workforce of 22,747. The impacts are particularly large for the two Health Boards (1,040), the two Local Authorities (730) and independent care providers (235).**

Overall, the greatest need identified by employers is for two and three bedroom rented houses. But a mix of tenures, types and sizes is needed to meet the needs of people from diverse backgrounds, on various wage levels and at distinct stages in life.



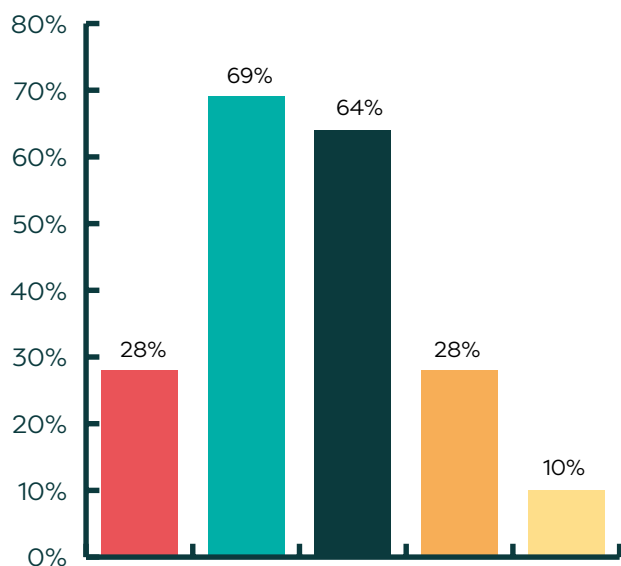
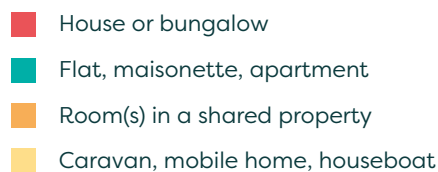
⁴³ Based on 30 responses from employers in health, social care, education, public safety & order, public administration, critical infrastructure, the land-based industries and tourism.

⁴⁴ We have combined the results for the land-based industries and tourism because many of survey respondents in these sectors operate in both and it is not possible to disaggregate their staff numbers by sector.



(responses: n.26)

- ! Houses are the most needed type of accommodation, followed by flats.
- ! Some employers identify a need for shared housing and temporary accommodation, relating to short-term staffing needs.



(responses: n.35)

- ! Employers report that two- and three-bedroom homes are the most needed sizes.
- ! In some instances, one-bedroom homes and homes with four or more bedrooms are needed to cater for particular groups of staff.



> Sector-by-Sector



Health

A lack of access to housing has been identified as a 'strategic barrier' to attracting and retaining healthcare staff in both Dumfries & Galloway and Scottish Borders.⁴⁵

NHS Borders and NHS Dumfries & Galloway say that a lack of suitable housing is having a major impact on recruitment and retention.

Housing issues are affecting around 1 in 8 staff or posts (12%) and have become more significant as Health Boards have increased recruitment from outwith the region. For some categories of staff, the problems are expected to worsen in the next few years. In Dumfries & Galloway alone, 110 additional housing units may be required immediately to support international recruitment and 150 for trainees.⁴⁶ NHS Borders calculate that, on average, 65 staff relocate to the region each year.

Priorities	
More short-term rental housing near the main hospitals	A priority is to house international nurses, trainees, students and others near to Borders General Hospital and Dumfries & Galloway Royal Infirmary. More affordable rental housing – including family homes – is needed close to the hospitals for staff relocating to the region.
More new-build family homes to buy in Dumfries	More permanent family homes, for purchase, are needed close to the hospitals to support recruitment of doctors relocating to the region with their families. Hospital consultants must live nearby so that they can respond quickly when on call and they typically seek modern homes.
More short-term housing in Stranraer and Newton Stewart	Stranraer has seen positive recruitment of medical staff, but most are part-time and only in the area for blocks of time. More one-bedroom and/or shared homes are needed for part-time medics as well as for staff (e.g. AHPs) relocating to the area. Rural Fellowships for GPs and placements for students and trainees are ways of attracting staff to hard-to-recruit rural areas. But, in Newton Stewart and district, a lack of short-term rentals is making it difficult for Fellows, trainees and students to make the first step in what might become a long-term relocation to the area.
More rural housing to support recruitment of specialist staff	Housing and transport problems are making it difficult to recruit specialist staff and trainees – e.g. AHPs, midwives, doctors and dentists – to rural districts. A lack of rural housing is also a problem for the redeployment of staff within the region due to organisational change. More affordable rentals are needed, and more family homes of all tenures to support recruitment and retention in the longer term.

⁴⁵ e.g. Dumfries & Galloway Housing Market Partnership 2024, p123; NHS Dumfries & Galloway 2024, p13; Scottish Borders Health & Social Care Partnership 2022, pp31,46; 2023, p25; 2024, p60

⁴⁶ Dumfries & Galloway Housing Market Partnership 2024, p96

> Sector-by-Sector



Social care

Housing is having a significant impact on recruitment and retention in social care, but the magnitude of the impact varies.

80% of independent social care providers say that housing is having an impact on recruitment and retention, affecting almost 1 in 5 staff or posts (19%).

Scottish Borders Council say that, while housing is having a minor impact on staffing overall, it is a greater problem for staffing in social care than in most other services.

The problems are more pronounced in Dumfries & Galloway than in Scottish Borders, not least because local recruitment appears to have held up better in the Borders. In Dumfries & Galloway, housing issues are more of a concern in rural districts and are widespread across the region; in the Borders, while issues can occur anywhere, they are mostly a concern in larger towns such as Galashiels, Hawick and Kelso.

Nonetheless, while the circumstances vary from place to place, two main needs are shared across the two Local Authority areas:

Priorities	
More affordable rental housing for staff relocating to the region	There is a need for more housing to support the recruitment of staff from outwith the region. Even where external recruitment drives have been successful, it can be a struggle to find suitable accommodation close to the workplace and some new staff are living at a distance, with potentially unsustainable commutes.
More affordable housing for local young people	A specific priority is for affordable housing which suits young people and is in locations which need new residential and/or non-residential care staff. This is especially a priority for places off the main transport networks, where there is a greater need for recruits to live near to their place of work. Affordability is a key consideration given low wages in the sector.

“

“Newly Qualified Social Workers ... have historically struggled to find accommodation. Candidates have previously rejected roles for this reason. This is predominantly accommodation for a single person but can also be for families moving to the area Candidates who are sponsored are looking to rent accommodation rather than buy.”

- Scottish Borders Council

“Young people can barely afford to rent and the choices are few and far between due to second homes, holiday homes, Airbnbs etc. Local people including young people are being forced to leave”

- independent social care provider, Dumfries & Galloway

“There is a very significant lack of social housing in the surrounding towns outside of DG1. People may need to stay in these smaller areas due to work and family commitments and may be unable to move to the areas where social housing is more available.”

- support worker, Dumfries & Galloway

”

> Sector-by-Sector



Education

In education, housing mostly is a problem for staffing in Early Years and schools. While we have heard of individual cases in Further and Higher Education, the problems do not appear to be as widespread or significant there.

Dumfries & Galloway Council say that a shortage of suitable housing is having a moderate impact on the recruitment and retention of school staff.

Scottish Borders Council say that, while housing is having a minor impact on staffing overall, it is a greater problem for staffing in education than in most other services.

Priorities	
More affordable rental housing for recently qualified teachers	Both Councils say that the greatest need is amongst probationary and other early career teachers. Probationers on placement would benefit from more one-bedroom homes to rent. Teachers wishing to relocate to the region more permanently would benefit from affordable rental housing of various sizes. Geographically, the pattern of need is like that for social care. In Dumfries & Galloway, the greatest need is in the more rural districts where housing shortages are compounded by a poor transport system, which limits people's housing options. In Scottish Borders, the need is particularly in the larger towns such as Galashiels, Hawick and Kelso.

“

“I had problems buying a house when I lived in Kirkcudbright, everywhere was being bought up for Airbnbs, and second homes. I couldn't even find somewhere to rent, never mind buy. I ended up having to live in a caravan with my partner who was also a teacher”

- secondary teacher, Dumfries & Galloway

“If this area [Hawick] wants to attract young graduates it must provide good affordable housing.”

- secondary teacher, Scottish Borders

“When we were looking to relocate here there were limited houses matching what we wanted or needed. We considered renting to start but there were almost no properties.”

- teacher, Scottish Borders

“poor public transport is a major issue, as due to the massive variation in house prices across the region, you often need to live far from where you work.”

- secondary teacher, Dumfries & Galloway

”



> Sector-by-Sector



Public safety & order

The Scottish Prison Service say that housing is not a concern for staffing at HMP Dumfries, while the Scottish Fire & Rescue Service say that housing is having a minor impact on recruitment and retention in Dumfries & Galloway. SFRS' main concern – given the preponderance of on-call firefighters in their regional workforce – is the declining working age population and concomitant shrinkage of recruitment pools around their stations.

A shortage of suitable housing is having a moderate impact on police recruitment and retention in Dumfries & Galloway.

Police Scotland estimate that housing issues are affecting 1 in 5 staff or posts in a workforce of 320, and that housing availability and quality are both important considerations. They say that some employees are choosing to live in the larger towns, such as Dumfries, and commute long distances to work, which can be unsustainable, especially with shift work. Housing is one factor amongst several here, with police employees also considering where a partner or spouse might access employment and where there are schools and leisure facilities for children.

Priorities	
Access to key worker homes for police staff in Dumfries & Galloway.	Police Scotland highlight Stranraer and Sanquhar as problem areas and say that housing is one of a mix of factors affecting staffing in those areas. Stranraer and rural Dumfries & Galloway in general have been identified as priorities by employers in the health, social care and education sectors, and any key worker housing provision in these areas should also be open to police officers and other police staff.

Nationally, in its housing strategy, Police Scotland recognises that there are 'Hard to Reach Areas' in island, rural and remote parts of Scotland where housing is limited and it may be necessary to continue providing police accommodation.⁴⁷ However, the priority areas are all in North and West Scotland and the police service no longer provides its own housing in the South. The region does not meet all the criteria for such provision, which include that, in the Police Division in question, it must be more difficult than the Scottish average to attract and retain officers. Nonetheless, there appear to be localised housing needs for police officers and staff in western and northern Dumfries & Galloway which could be met by other means.

⁴⁷ Police Scotland 2023

“

“There is a significant lack of housing in the Stranraer area and a lot of colleagues and family make do with smaller/unsuitable houses we tried for 18 months to purchase a ... home [large enough for our family] ... and due to the lack of availability in the area this pushed demand and prices up to ridiculous levels and outwith our budget.”

- police officer, Dumfries & Galloway

“We are all struggling. I have two second jobs. Everything is too expensive.”

- firefighter, Dumfries & Galloway

“Rented properties are increasing in costs and not on market for long.”

- community safety advocate, Dumfries & Galloway

”



> Sector-by-Sector



Public administration

In general, a lack of suitable housing does not appear to be a significant factor in recruitment and retention for the two Local Authorities, which are the major public administration employers in the region.

Dumfries & Galloway Council are not aware that housing is having a negative impact on staffing in their case, other than in education.

Scottish Borders Council say that housing is generally having a minor impact on recruitment and retention.

Scottish Borders Council estimate that housing issues affect the recruitment and retention of 1% of their workforce (i.e. around 60 people/posts); this includes social care and education staff, and housing does not appear to be having a significant impact on staffing in other Council services.

That said, some public administration employees have told us about difficulties they have faced personally and, while housing may not be an issue for public administration staffing in general, it clearly can be for some individuals.

“

“I struggle to find suitable housing for someone with a single household income.”

- public administration manager, Dumfries & Galloway

“I moved into the region/to the UK from overseas The lack of housing to rent, and the suitability of that housing for the rent requested, is a huge deterrent for bridging the gap in people considering or settling into the region.”

- public administration manager, Dumfries & Galloway

”

> Sector-by-Sector



Critical infrastructure

Through the research, we have heard from two major critical infrastructure providers: SP Energy Networks and Openreach. The information we have received from Openreach covers the whole region; that from SPEN is specific to Scottish Borders.

Openreach say that housing issues are not impacting upon recruitment and retention.

SP Energy Networks say that a lack of suitable housing is having a minor impact in their case.

Openreach add that, because their staff are mobile, they have a wide range of housing options. The mobile nature of the work may also be a positive factor for recruitment and retention in other critical infrastructure sectors, where a sizeable proportion of staff are based in the field and cover a large area. However, more engagement with these sectors is needed to establish whether this is the case, and whether there are any issues for staff with fixed workplaces such as the ports on Loch Ryan.

“

“given [that our staff] are more field based [they] tend to reside right across the communities They tend to travel across the patch so in essence can live in a wide range of locations which has made retention of staff really strong...”

”

- Openreach



> Sector-by-Sector



Strategic economic sectors

We are taking the land-based industries and tourism together here because many of the employers we have heard from are engaged in both.

A lack of suitable housing is having an impact on staffing in tourism and the land-based industries but appears to be more significant for the latter.

Through our surveys, we heard from 23 employers in these sectors and 78% said that housing shortages are having a major or moderate impact on staffing. However, this is a small sample, and a more complex picture emerges from the wider evidence. Recent work by the South of Scotland Destination Alliance⁴⁸ – including engagement with 84 businesses with a combined workforce of 3,360 – indicates that the delivery of more affordable homes is a middling priority for tourism employers. Our tourism focus group similarly identified housing as a lesser factor in recruitment and retention.

Our land industries focus group, on the other hand, identified housing as a significant factor. In forestry, for example, a lack of affordable, good quality homes is making it harder to recruit recent graduates and military leavers. Forestry already relies heavily on itinerant contractors from outwith the region and, while the industry will continue to operate and grow if housing shortages are not addressed, it will rely more heavily on such contractors and on staff commuting in from neighbouring regions. In Dumfries & Galloway, in particular, this will limit the extent to which the sector can help to deliver on wider goals such as rural repopulation.

Priorities	
More affordable rural housing	A lack of affordable, good quality homes is a problem for recruitment in the land-based industries, and more homes of various sizes are needed to accommodate farm workers, forestry graduates and military leavers. Although housing is a lesser factor in tourism recruitment, more affordable rural housing would benefit workers in this sector too.
More temporary, employer- provided accommodation	Employers see a need for more temporary staff accommodation to meet their business needs. This type of accommodation is typically provided by employers themselves, using their own land and/or buildings.

⁴⁸ South of Scotland Destination Alliance 2024, p3; 2025

“

“as a property renter to a private landlord ... if for any reason we would need to find alternative accommodation, we would struggle; due to lack of 4 bed properties in combination with high monthly rental costs. That would lead us to have to leave the area ...”

- operations manager, conservation charity, Scottish Borders

“[when] seeking to employ people who are not very local to the area, often with a skill set that people in the area do not have The lack of accommodation is actively deterring people from applying.”

- farming and forestry business with 20 staff, Dumfries & Galloway

“too much rural housing is occupied by second-home owners, inflating rural property values above the reach of rural wages. If this was prevented rural housing difficulties would be resolved. It would also re-invigorate the local hospitality sector.”

- farm manager, Dumfries & Galloway

”



KEY WORKER HOMES – POLICY & PROVISION

KEY WORKER HOMES – POLICY & PROVISION

National and Local Policy

Key worker homes have been on the policy agenda for over a decade, and a growing concern in the last five years.⁴⁹ In 2024, the Scottish Parliament declared a housing emergency; providing more key worker homes is part of the Scottish Government's response.⁵⁰ Housing emergencies have also been declared by Dumfries & Galloway Council and Scottish Borders Council⁵¹ and both are developing action plans.

In 2015, the Scottish Government's *Affordable Housing for Key Workers Project Group* recommended focusing on local action, given the local nature of the problems, and this is the approach that has been taken.

“We recognise that it is not a one-size-fits-all approach in relation to key worker policies and it is for local authorities to set their own policies.”

– Scottish Government *Rural & Islands Housing Action Plan*⁵²

The national housing strategy – *Housing to 2040* – acknowledges that many rural areas face difficulties retaining key workers and the *Rural & Islands Housing Action Plan* commits the Scottish Government to working with Local Authorities and others to put policies in place and support delivery through the *Rural Affordable Homes for Key Workers Fund*.⁵³ National guidance recommends including key worker housing policies in Local Housing Strategies and securing suitable public sector sites for key worker homes and other affordable housing.⁵⁴ These housing policies are complemented by the *Action Plan to Address Depopulation* and the *National Planning Framework*.⁵⁵

The Scottish Borders *Local Housing Strategy* supports key worker and employer led housing.⁵⁶ Actions include reviewing social housing allocation policies to support key workers and identifying relevant funding opportunities, including potential use of the *Rural Housing Fund* to provide more key worker homes. The Borders *Local Development Plan* supports proposals which meet a local housing need identified in the *Local Housing Strategy* or certain other sources.⁵⁷

⁴⁹ Scottish Government 2015; Scottish Futures Trust 2023, p1

⁵⁰ [Meeting of the Scottish Parliament, 15 May 2024](#); [Meeting of the Scottish Parliament 20 June 2024](#)

⁵¹ [Scotland's Housing Emergency](#)

⁵² Scottish Government 2023a, p45

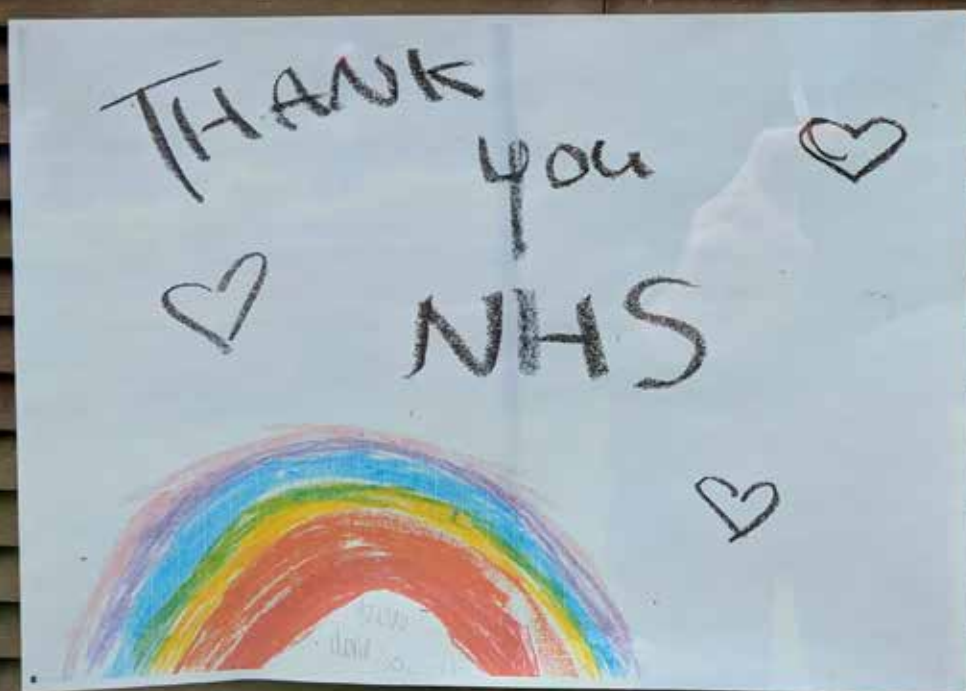
⁵³ Scottish Government 2021, p27; Scottish Government 2023a, pp5,45-6,53

⁵⁴ Scottish Government 2019a, pp23,43-44

⁵⁵ Scottish Government 2024, pp50,62; Scottish Government 2023b, Policies 8 and 16

⁵⁶ Scottish Borders Council 2023a, p53; 2023b, pp3,6

⁵⁷ Scottish Borders Council 2024, Policy HD6



Dumfries & Galloway Council is preparing its new *Local Housing Strategy* and *Local Development Plan*. It is considering workforce accommodation pressures in determining the Housing Supply Targets, looking to identify pathfinder key worker housing projects and developing a local policy on specialist housing and key worker accommodation.⁵⁸

For the South of Scotland as a whole, the Regional Economic Partnership has identified housing, transport and skills as the “issues that are most critical to creating wellbeing and opportunity for our communities, businesses and people” and committed to developing plans for key worker homes.⁵⁹

⁵⁸ Dumfries & Galloway Housing Market Partnership 2024, pp79,119; Dumfries & Galloway Council 2024d, pp19,121-2,130,137,140

⁵⁹ South of Scotland Regional Economic Partnership 2024a, pp6,15; 2024d, pp4,9

Legal Mechanisms and Constraints

There are various means by which housing providers can allocate homes or restrict their occupancy to key workers.

RENTAL ALLOCATIONS⁶⁰

In allocating social housing, Registered Social Landlords (RSLs) must give reasonable preference to people who are homeless or threatened with homelessness, living under unsatisfactory housing conditions or living in under-occupied social homes.

Beyond that, RSLs can give preference to others, and many accord some level of priority to applicants with a ‘local connection’ or who wish to move to give ‘social, community or family support’. Some key workers will satisfy such criteria by virtue of their profession and employment.

RSLs can also use Local Letting Initiatives to vary their general policy in a defined geographical area, to meet local needs and aims. This has been done, for example, for Council housing in Arran, through an LLI which gives additional priority to “public sector employees who provide an essential service for example within Police, Fire, NHS, HSCP and the Local Authority.”⁶¹

The law requires that key workers or others must not dominate a social housing allocation policy at the expense of homeless persons and those living in unsatisfactory housing conditions or under-occupied social homes. RSLs have greater flexibility in allocating mid-market rent homes, which are not subject to the same restrictions.

NOMINATION AND LEASE AGREEMENTS⁶²

Nomination agreements have, from time to time, been made between a Local Authority and an RSL, to enable the former to nominate housing applicants for an agreed percentage of the latter’s annual vacancies.

Such agreements have also been made between housing developers and educational institutions for purpose-built student accommodation (PBSA), with the developer retaining ownership and control of the development and the educational institution nominating tenant occupiers from its student body. Tenancy agreements are made between the developer and the students, and the tenancy term is usually limited to the academic year.

The model could be adapted for key worker housing by employers and private or social landlords, although it is worth noting that, in the case of key workers, the prevailing tenure would most likely be either a Scottish Secured Tenancy (SST) or Private Residential Tenancy (PRT).

⁶⁰ Brodies 2023, paras 2.6-2.8; Scottish Futures Trust 2023, p3; Scottish Government 2019b, pp38,48,95

⁶¹ North Ayrshire Council 2021

⁶² Brodies 2023, paras 5.5,6.1,7.1,7.3,9.2; Scottish Futures Trust 2023, pp4-5; Scottish Government 2019b, p87

An alternative would be for a housing developer or property owner to lease homes to an employer for use by its employees. The employer would be responsible for managing tenancy or occupancy arrangements and for any obligations which it agrees with the property owner regarding maintenance and repair. An example of a lease agreement ‘demonstrator project’ between Scottish Borders Council, NHS Borders and Eildon Housing is given in the next section.

When considering different tenancy and occupancy options, providers of key worker homes should consider whether they require to recover the property at the end of the workers’ employment contract. PRTs and SSTs, for example, do not allow a property owner to obtain vacant possession of the property on the basis that the tenant no longer meets allocations criteria which were met at the start of a tenancy, such as key worker status.

RURAL HOUSING BURDENS AND PLANNING OBLIGATIONS⁶³

A Rural Housing Burden is an obligation placed on the title of a property by its owner. The Burden may only be in favour of a Rural Housing Body and must be made with that Body’s consent. It gives the Rural Housing Body a pre-emption right when the land or house comes up for sale, providing them with the opportunity to purchase the property if they wish and, thus, control future sales. For example, South of Scotland Community Housing is a Rural Housing Body and over 100 Rural Housing Burdens have been made in its favour in Dumfries & Galloway.

The terms of the Rural Housing Burden are freely negotiated between the Rural Housing Body and the purchaser and could include the terms and price at which the property will be bought back, allowing the Rural Housing Body to ensure that the price remains affordable and impose other conditions.

Planning Authorities can require Rural Housing Burdens under a Section 75 agreement, i.e. a ‘planning obligation’ agreed between the Planning Authority and a developer. Under such agreements, a private developer, for example, might help to deliver on the local policy for affordable housing by allocating a proportion of homes in the development for sale with Rural Housing Burdens attached to their titles.

Rural Housing Burdens are potential options for enabling Rural Housing Bodies in the South of Scotland to address key working housing needs alongside other local housing needs.

⁶³ [Title Conditions \(Scotland\) Act 2003 - Explanatory Notes](#); [Town and Country Planning \(Scotland\) Act 1997](#); Brodies 2023a, para. 4.2

> PROVIDING HOMES FOR KEY WORKERS

Employers as housing providers

Some employers provide accommodation to meet short-term staff housing needs, especially in health, tourism and the land-based industries.

NHS BORDERS

Residences at the Borders General Hospital provide short-term shared accommodation for on-call hospital staff, medical students, GP trainees and, where available, international nursing recruits, medical graduates, doctors in training and others.⁶⁴ NHS Borders have also housed students off-site at Heriot-Watt University's campus in Galashiels and in private rental properties under long-term agreements with their landlords.

NHS DUMFRIES & GALLOWAY

Residences at Dumfries & Galloway Royal Infirmary, Mountainhall and Nithbank in Dumfries and at the Galloway Community Hospital in Stranraer provide mostly shared accommodation for medical students, trainees, medical locums and, where available, others including AHP students. NHS Dumfries & Galloway also uses private lets and hotels to meet short term staff and student housing needs.⁶⁵

TOURISM AND THE LAND-BASED INDUSTRIES

Many rural estates have housing stock, and some employers in tourism and the land-based industries have developed new accommodation to meet their staffing needs. Examples range from farms which have installed a few modular units to hotels with large-scale purpose-built staff accommodation, developed to attract skilled workers.⁶⁶ In tourism, it is the medium and large sized businesses which tend to provide staff accommodation themselves: they feel the impacts of staffing shortages acutely and have the assets and resources to respond. Many of the region's small tourism and land-based businesses are not able to go down this route.

Employers have identified several barriers to providing more homes for their staff:

> **NHS short-term accommodation:** the supply of existing NHS residences cannot meet the demand from staff, students and trainees. Some residences do not meet British Medical Association requirements for doctors or are unsuitable for staff who cannot share. The NHS lacks the financial resources to refurbish existing residences or develop additional staff accommodation.

⁶⁴ Information from NHS Borders participants in the research

⁶⁵ NHS Dumfries & Galloway 2024; Information from NHS Dumfries & Galloway participants in the research

⁶⁶ see e.g. Convention of the South of Scotland 2024b

> **Planning:** medium and large businesses are often willing to meet their own staff accommodation needs and planning policy supports housing development which is essential to the operation of rural businesses.⁶⁷ But employers say that the planning process is cumbersome. The South of Scotland Destination Alliance advocates planning dispensation for staff accommodation⁶⁸ and the Scottish Government is reviewing the role of Permitted Development Rights in supporting rural communities.⁶⁹ At the local level, tourism stakeholders wish to see *Local Development Plans* aligned with the regional tourism strategy, stronger relationships between the sector and planners, and increased capacity and a more enabling mindset in planning departments.

> **Private tenancies and lets:** participants from the land-based industries and private rented sector see Private Residential Tenancies as a barrier, due to the security of tenure they afford and consequent difficulties for landlords in recovering vacant possession of the property, e.g. if the tenant's employment ends. Short Term Let regulations were also raised as an issue: many private landlords have licensed properties as Short Term Lets, taking them out of circulation for potential use as homes for local workers. Where a property is licensed as an STL, this does not extend to letting the property short term to people working for the owner and/or using it as their only or principal home.

Despite these barriers, various employers in health, tourism and the land-based industries intend to continue providing staff accommodation and – in the health and social care sectors – some have been working with housing providers and others to develop novel solutions.



⁶⁷ Scottish Government 2023b, Policy 8; Scottish Borders Council 2024, Policy HD2; Dumfries & Galloway Council 2019, Policy H3; see also Dumfries & Galloway Council 2024d, p137

⁶⁸ South of Scotland Destination Alliance 2024, p5

⁶⁹ [Scottish Government: How can permitted development rights help address the housing emergency?](#)

A SYSTEMATIC APPROACH TO TURNING EMPTY PROPERTIES INTO HOMES FOR HEALTH AND SOCIAL CARE WORKERS



Image credit: Argyll & Bute Council

The *Health & Social Care Partnership Empty Homes Project* in Argyll & Bute is bringing empty homes back into use and providing affordable housing for health and social care workers.⁷⁰ The project started in 2023 and is being delivered by the Local Authority, the regional Health & Social Care Partnership (HSCP) and the Scottish Empty Homes Partnership.

The project Empty Homes Officer, based within Argyll & Bute Council Housing Services, worked with the HSCP to determine which types of housing are needed and where. The EHO then identified suitable empty homes and consulted with the owners and Registered Social Landlords to explore bringing them back into use for key workers.

The aim is to bring a total of 20 properties back into use as private rentals, with practical and financial support from the Local Authority. Grants from its *Strategic Housing Fund* are supporting refurbishment of two NHS properties in Coll, a Council-owned property in Tiree and a property owned by Argyll Community Housing Association in Lorn. Funding has also been provided for the first phase of a project to deliver worker housing in Tobermory in Mull and provisional plans have been drawn up for the conversion of an unused NHS Dental Surgery in Islay.

⁷⁰ [Argyll and Bute Health and Social Care Partnership; New initiative to tackle accommodation crisis](#)

Registered Social Landlords

Registered Social Landlords are independent organisations, such as housing associations, which own and manage homes on a not-for-profit basis. There are several local RSLs in the South of Scotland, each with thousands of homes, and others which are headquartered elsewhere in Scotland and have housing stocks in the South varying from a few homes to hundreds and, in one case, over 10,000. RSLs are addressing the region's need for key worker homes in several ways, and trialling innovative approaches.

SOCIAL HOUSING ALLOCATIONS

Two local RSLs have amended their allocation policies to accord some level of priority to key workers, broadly defined, under criteria for 'local connection' or 'community need'.⁷¹ While other RSLs do not explicitly prioritise key workers, some give a degree of priority to applicants seeking social housing in connection with local employment.⁷²

LOCAL LETTINGS INITIATIVES

Several RSLs have LLI policies which recognise the potential for LLIs to be used to allocate housing in ways which enable residents to sustain a local connection or community contribution.⁷³ LLIs are generally thought of as measures which should be used in an exceptional and time-limited way.

MID-MARKET RENT

RSLs have greater freedom to prioritise key workers in their policies for allocating MMR homes, which are aimed at assisting people on low and modest incomes who might not be a priority for social housing. At least one local RSL is using its MMR stock to support key workers, especially those in social care and health.⁷⁴

NOMINATION AND LEASE AGREEMENTS

Some RSLs have policies which allow them to partner with others to meet the needs of local communities, including through lease and nomination agreements.⁷⁵ Lease agreements are typically only made on an exceptional basis to meet short-term needs, e.g. by providing for those who are homeless or seeking refuge. One local RSL is using lease arrangements to provide key worker homes (see case study).

⁷¹ [Scottish Borders Housing Association - allocations policy](#); [Waverley Housing - allocations policy](#)

⁷² e.g. [Eildon Housing - allocations policy](#); [Berwickshire Housing Association - allocations policy](#)

⁷³ [Eildon Housing - allocations policy](#); [Berwickshire Housing Association - allocations policy](#); [Loreburn Housing Association - allocations policy](#); [Homes4D&G - letting policy](#)

⁷⁴ [Scottish Borders Housing Association - MMR policy](#)

⁷⁵ [Berwickshire Housing Association - leasing policy](#); [Homes4D&G - letting policy](#)



Image credit: Eildon Housing Association

RSL participants in our workshops identified some barriers to providing more key worker homes:

> **Social Housing:** where key workers feature explicitly in allocation policies, they are given the lowest level of priority. RSLs are obliged to prioritise people who are in need for reasons of homelessness and unsatisfactory housing conditions as well as social tenants in under-occupied homes. Any use of social housing for key workers might reduce the number of homes available locally for people in the greatest housing need.

> **Mid-market rent:** Local Housing Allowance rates determine the maximum amount of Housing Benefit support which a private renter can receive. Suppression of LHA rates combined with low government grant benchmarks for MMR⁷⁶ is making the development of new mid-market rent homes financially unviable for RSLs in the South of Scotland.⁷⁷

> **Tenancy law:** occupation of a home by a key worker would typically be under a Scottish Secure Tenancy or Private Residential Tenancy, neither of which has a fixed term. The legal rights of tenants under SSTs and PRTs limit the circumstances under which an owner can recover vacant possession and could constrain use of a property solely for short-term key worker homes.

⁷⁶ Scottish Government 2023c

⁷⁷ As well as being raised by our workshop participants, this point is noted in the Scottish Borders action plan on housing for young people: Scottish Borders Council 2019, p11

SHORT-TERM HOMES FOR NHS STAFF AND SOCIAL WORKERS RELOCATING TO SCOTTISH BORDERS



Image credit: Eildon Housing Association

In 2023, Eildon Housing completed 69 affordable homes at McQueen Gardens in Galashiels, including wheelchair accessible bungalows, family homes and flats. Ten flats have been leased to NHS Borders and Scottish Borders Council to provide short-term homes for incoming staff. The employers are responsible for tenancy management and Eildon for repairs and maintenance.

McQueen Gardens is close to the Borders General Hospital and NHS Borders is using its five flats for international recruits and their families. The five flats leased to Scottish Borders Council are currently used for new social care recruits, but the lease allows SBC and Eildon to agree to allocate the homes to others, such as newly qualified social workers or teachers, as needs evolve.

The leases between Eildon and NHS Borders/Scottish Borders Council are modelled on existing agreements between Eildon and SBC for providing temporary accommodation for homeless households. A lease is in place for each property which allows them to be returned individually if no longer required. The model was chosen as it allows the flats to be allocated to specific staff on a short-term basis. Each key worker has an occupancy agreement with their employer, with a maximum term of 6 months, and – if the occupant leaves their employment – they must vacate the flat. The rent charge between Eildon and NHS Borders/Scottish Borders Council is based on the social rent for the property plus an administrative charge and includes utility bills up to a specified amount.

This initiative is a demonstrator project. The partners are monitoring and evaluating its success and will feed any learning into strategic discussions about providing more key worker homes.

Community led housing

Community led housing (CLH) is shaped and delivered by local people. Unlike in traditional private housing development, the decision making is community driven and aligned with local needs, and homes remain affordable for future generations. CLH can help to address broader challenges affecting communities such as affordability, depopulation and any shortages of key worker homes which are impacting upon local services.

CLH is recognised in the *South of Scotland Housing Action Plan* and supported by the *Local Housing Strategies* for Scottish Borders and Dumfries & Galloway⁷⁸, as well as *Housing to 2040*, the *Rural & Islands Housing Action Plan* and the *Rural Housing Fund*.⁷⁹ The Scottish Government directly supports South of Scotland Community Housing (SOSCH), the only dedicated community housing ‘enabler’ in the South of Scotland.

CAPACITY TO DELIVER AND INNOVATE TO MEET LOCAL NEEDS

SOSCH has a vital role in enabling CLH projects and provides lifecycle support to community organisations, from initial ideas through project development to completion and tenancy allocation and management. SOSCH’s community partners have brought vacant buildings back into use, restored empty homes and developed energy-efficient new-build homes. These completed projects demonstrate that community organisations are uniquely placed to deliver homes that directly address local needs, including for key worker homes. Key steps in the CLH process enable communities to identify and deliver these solutions effectively.

LOCALISED HOUSING NEED AND DEMAND

Local housing need and demand assessments (HNDAs) are a crucial first step in CLH projects, helping community organisations to identify and evidence local housing needs and design targeted housing solutions. For example, Gatehouse Development Initiative – a community development trust in Gatehouse of Fleet – worked with SOSCH to undertake a local HNDA in 2021. Based on the results, GDI is now developing seven new homes for allocation to those working in the local area, particularly in social care and tourism; it anticipates submitting a planning application for the development in 2025.

FLEXIBLE ALLOCATIONS

Community organisations have greater flexibility than RSLs in setting allocation criteria for affordable homes and CLH can complement the social housing provided by others to meet the full range of local needs, including for key worker homes (see case study). This approach helps to sustain local services and maintain resilient communities, especially in locations where key workers are most needed.

⁷⁸ South of Scotland Regional Economic Partnership 2024a; Dumfries & Galloway Council 2018, pp15,25-6,28-9; Scottish Borders Council 2023a, pp7,37,40; 2023b, p3

⁷⁹ e.g. Scottish Government 2021, pp25-9; Scottish Government 2023a, pp34-7

ENSURING THAT HOMES FOR SALE MEET LOCAL NEEDS

As well as supporting community organisations, SOSCH is a Rural Housing Body in favour of which property owners and developers can make Rural Housing Burdens. RHBs are a means of ensuring the permanent affordability of homes and controlling their use to meet local needs, such as the provision of affordable homes for local workers.

Participants in our workshops identified several barriers to delivering more key worker homes through community led housing, principally:

> **Rural Housing Fund:** CLH projects in the region have benefitted from Scottish Government funding support, but the *Rural Housing Fund* is proving hard to access due to uncertainty over the continuity of the Fund beyond 2026; a reluctance to back projects which will not complete by then, and; a reluctance to back early-stage projects and make early conditional offers of grant, which is making fundraising more difficult and exposing community organisations to greater risk.

> **Rural Affordable Homes for Key Workers Fund:** community organisations are not able to access this Scottish Government fund, which is restricted to Local Authorities and RSLs.



KEY WORKER HOMES AND THE COMMUNITY LED REGENERATION OF DUMFRIES TOWN CENTRE



Image credit: South of Scotland Community Housing

Midsteeple Quarter (MSQ), a Community Benefit Society, has successfully completed Phase One of an ongoing town centre regeneration project in Dumfries. This development – The Standard – has transformed a long-term vacant property and added a new-build extension, providing six new homes, short term accommodation and enterprise spaces for those living and working locally.

ARPL Architects designed the mixed-use development, tailored to local needs, and strong collaboration between MSQ, SOSCH, Scottish Government, South of Scotland Enterprise and Local Authorities was essential to bringing it to completion.

The development includes six flats for mid-market rent, allocated under a policy that prioritises applicants living and working in Dumfries. MSQ directly addressed the need for key worker homes by embedding it in their allocations policy and remains committed to this priority. The building also hosts a studio flat intended for visiting creative practitioners and others on short term stays, as well as co-working offices and creative workspaces, all fostering economic and social revitalisation.

With The Standard already breathing new life into the town centre, MSQ has secured planning consent for Phase Two, which will bring another vacant property back into use as four flats. With the right partnership and support, this presents an oven-ready opportunity to provide more key worker homes as part of the community led regeneration of central Dumfries.

Key worker homes and thriving communities

As McQueen Gardens and Midsteepie Quarter demonstrate, the provision of key worker homes can be approached as part of a broader effort to meet diverse local needs and transform a place. This approach – of developing key worker homes and building and sustaining thriving communities – is one which requires collaboration between communities, employers, public authorities, housing providers and others. There are good examples of collaborative innovation of this sort in the South of Scotland and elsewhere in the country.



CREATING A 21ST CENTURY VILLAGE IN DUMFRIES



Image credit: The Crichton Trust

The Crichton is a heritage estate and former Victorian psychiatric hospital on the outskirts of Dumfries. The Crichton Trust, an innovative social enterprise and charity, is long-term custodian of the estate, which is owned by Dumfries & Galloway Council.

Over the last 25 years, the Trust has repurposed the heritage buildings to host a multi-institution university campus, cultural venues and over 160 SMEs. In 2018, supported by the NHS and Council, it started co-developing the case for a ‘care campus’ and ‘21st century village’ on 40+ acres of development land known as Ladyfield.

A detailed Masterplan for the Ladyfield was recently submitted to the Council’s Economy & Resources Committee.⁸⁰ The Masterplan was developed with UK Community Renewal funding and informed by wide-ranging community and stakeholder engagement, as well as research by South of Scotland Community Housing into the needs of local health, social care and educational institutions and employers.

The Masterplan proposes an intergenerational community focused on the wellbeing of people, places and the planet, and responds to acute local housing needs. It supports the concentration of NHS services in the neighbourhood and aims to attract younger, highly skilled workers to the region. Key workers will live alongside older adults, families, students and people with care needs.

The homes will be adaptable, smart tech enabled, low cost to run and set in a natural space that fosters community connections and supports wellbeing. There will be a mix of tenures, to ensure that the development supports the town’s need for flexible housing options over the long term.

The Crichton Trust’s initiative exemplifies how innovative collaborations can envision sustainable and inclusive communities. In this example, an active public landowner (the Council) and public interest developer (the Trust) have worked with employers and others to plan a development which meets existing needs, sows the seeds of a future community and provides key worker homes.

⁸⁰ [Ladyfield: a 21st century village](#)

LEVERAGING TEMPORARY WORKER ACCOMMODATION TO BENEFIT RURAL COMMUNITIES



Image credit: Wind turbine for power generation in Scotland - Shutterstock

Scottish & Southern Electricity Networks Transmission (SSENT) is responsible for the electricity transmission network in the North of Scotland and is embarking on a programme of transmission projects “of a scale not seen in a generation” to support decarbonisation of the energy supply.⁸¹

To deliver this, the construction workforce will need to grow rapidly from the current 434 workers on site to an estimated 4,937 at the programme’s peak in 2027, before shrinking back to 675 workers by 2030. The rural geography of the region makes it difficult to source local labour and house transient labour, and there are concerns over the potential impacts on local communities of a rapid and massive influx of workers in an already pressurised housing environment. In response, SSENT is seeking to deliver worker accommodation with legacies which help to meet local housing needs.

The options include temporary ‘accommodation villages’ which are modularised to expand and contract as workforce requirements change and which, after their initial use, would remain as serviced sites which can be re-used for housing. The options also include taking long term leases on new build RSL properties, helping to finance and unlock the development of 1,000 new homes, especially sites that are ‘stuck’ and need intervention to be delivered. SSENT also plans to take long term leases on empty homes, refurbish them and bring them back into use.

⁸¹ SSEN Transmission 2024

PROVIDING ACCOMMODATION FOR RURAL WORKERS AND AFFORDABLE HOMES FOR LOCAL YOUNG PEOPLE AND FAMILIES



Image credit: Colonsay Community Development Company

Colonsay has a housing crisis: 40% of the island's housing stock is second homes and holiday lets; houses regularly sell for above average prices; local young people and families are unable to afford homes, and; the island's working age population has shrunk as a result. Colonsay Community Development Company is responding to this crisis by providing more affordable homes.⁸²

In 2020, CCDC purchased two sites in Scalasaig for the development affordable housing and business units. The first phase was completed in 2024, with two homes for low-cost home ownership and four for affordable rent, three discounted serviced self-build plots, and three HMOs owned by Mowi Scotland Limited and occupied by their staff, who work at a local fish farm. Throughout the process, CCDC has been supported by the regional community housing enabler – Communities Housing Trust – which has acted as project manager and CCDC's agent in marketing and allocating the new homes.

The project has been supported by the *Scottish Land Fund*, the *Rural & Islands Housing Fund*, Argyll & Bute Council, Highlands & Islands Enterprise and others. A £1.1 million investment has been made by Mowi, covering the costs of their three homes and infrastructure improvements for the wider development. The Mowi homes will return to the community if they close operations on Colonsay.

This project exemplifies how an employer and community body can collaborate to deliver homes for local workers, address wider local housing needs and advance the sustainability of the community.

⁸² [Affordable Homes - Colonsay Community Development Company](#); [Colonsay - Communities Housing Trust](#)



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