













# Rural & Islands Housing Action Plan



Scottish Government  
Riaghaltas na h-Alba



# Contents

	Ministerial Introduction	<b>3</b>
	Executive Summary	<b>5</b>
	Strategic Context	<b>7</b>
	Engagement	<b>9</b>
	Delivering the Right Homes in The Right Places	<b>11</b>
	Enabling the Delivery of More High-Quality Affordable Homes	<b>15</b>
	Making Best Use of Existing Homes and Support for Home Ownership	<b>25</b>
	Supporting Community-Led Development	<b>34</b>
	Housing and Local Economies	<b>40</b>
	Monitoring Delivery of the Action Plan	<b>48</b>
	Summary of Actions and Timeline for Delivery	<b>49</b>
	List of Stakeholders Engaged	<b>54</b>

# Ministerial Introduction

Equality, opportunity, and community are the three overarching defining missions of this Government, and the provision of affordable housing in our remote, rural and island communities is vital to that.

Housing plays an important role in sustaining rural communities and supporting them to thrive. Housing of the right type in the right place to meet identified local needs, can have a powerful and generational impact, supporting people to access the homes they need, enabling young people to stay in the communities in which they grew up and supporting local businesses and services to retain and attract employees.

Since 2016, this Government has supported the delivery of over 10,000 affordable homes across remote, rural and island areas. We want to go further which is why we have committed to delivering 110,000 affordable homes by 2032, of which 70% will be for social rent and 10% in our remote, rural and island communities.

Our long-term housing strategy, Housing to 2040, has at its core our ambition for everyone to have a safe, high-quality home that is affordable and meets their needs in the place they want to be.

The ambitions in Housing to 2040 will bring benefits to remote, rural and island communities, including those aimed at the better use of existing supply such as tackling empty homes, managing the use of second homes and short-term lets as well as supporting additional supply through our ambitious Affordable Housing Supply Programme.

I know there are specific housing challenges in some rural areas; one of my first acts as Housing Minister was to announce funding of up to £25 million for local authorities to identify affordable homes for key workers in rural areas. This Rural Affordable Housing for Key Workers Fund will support the retention and attraction of key workers in these areas.

During the summer, I took the opportunity to engage with a broad range of rural stakeholders and communities to see and hear first-hand about the significant activity being taken forward, the positive joint working, and also the challenges of delivering affordable homes across remote, rural and island areas. There is no silver bullet, and collaborative action will be vital to address a wide range of issues.

This plan represents a critical opportunity for collective action to support the delivery of the homes our rural and island communities need.

That includes the public sector – a number of public agencies have land and housing that may be suitable to help meet the affordable housing requirements including for key workers. The Cabinet Secretary for Rural Affairs, Land Reform and Islands and I will explore how best to achieve this, so that as a government we are part of the solution to the challenges people in rural and island communities face.

The private sector also has a vital role to play as both employers and businesses with land and assets and we know that some are already engaging in providing quality homes for their employees. We can learn from their experiences and through this plan and our actions, work with them to support them to do more, while also ensuring we are supporting their needs as critical employers, often of high value jobs in our rural and island communities.

Importantly, I recognise that community-led housing plays an essential role in our broader approach to delivering more affordable homes. Our Rural and Islands Housing Fund is now a recognised feature of our Affordable Housing Supply Programme and is continuing to provide funding support to communities and organisations to deliver more affordable homes. This crucial and inspirational work is supported by a range of organisations, working with communities and others to make their ambitions a reality, to deliver the affordable homes they need, and it is vital that this work continues.

This Action Plan has been developed through strong engagement with our rural and island stakeholders and I would like to take this opportunity to thank everyone for participating and for helping to inform the content of this plan.

Delivering the actions in this plan will require strong collaborative working to support a whole systems approach and calls on partners to work jointly to bring about the changes that we collectively need to deliver.

This plan complements other ambitious work being taken forward in support of remote, rural and island communities. It marks an important step in tackling the challenges head on and puts in place the systems and support for the delivery of the right homes in the right places that will help communities to thrive.



A handwritten signature in black ink, reading "Paul McLennan". The signature is written in a cursive style with a long, sweeping underline.

**Paul McLennan MSP**  
Minister for Housing

# Executive Summary

Equality, opportunity, and community are the three overarching defining missions of this Government, and the provision of affordable housing in our rural and island communities is a recognised priority within our long-term Housing Strategy, Housing to 2040, Scotland's National Islands Plan and also the National Strategy for Economic Transformation and New Deal for Business.

The place-based and sometimes differentiated challenges faced by rural and island communities have been well articulated in those strategic policy documents and in the extensive consultation and engagement process which, with partnership delivery, is the foundation for this Action Plan. We have heard, and are determined to address, the call for even closer collaboration with local authorities, housing associations and other delivery partners and for a reinvigorated partnership with business.

The plan sets out what we are already doing that must be sustained, what more we will do, and how we will continue to monitor impacts and innovate where new or unmet needs arise, or where opportunity calls.

We will work collaboratively to deliver this Action Plan, monitoring and assessing delivery and impact, reflecting on the changing dynamic across Scotland's remote, rural and island communities and where appropriate responding to new challenges where they arise.

## **Working in partnership we will continue to:**

- deliver our ambition for 110,000 affordable homes by 2032, 10% of which will be in remote, rural and island communities;
- monitor implementation of the National Planning Framework 4;
- work with local authorities and registered social landlords to deliver the demand-led Rural Affordable Homes for Key Workers Fund with up to £25 million available to 2028;
- work with the Scottish Empty Homes Partnership in bringing more empty homes back into use including identifying new opportunities for collaborative working, and share best practice between empty homes officers working across rural and island areas;
- support community-led affordable housing development, through the continuation of the demand-led Rural and Islands Housing Fund with up to £30 million this Parliament;
- explore the potential and impact of modern methods of construction in rural and island contexts;

- reform and modernise compulsory purchase legislation in Scotland;
  - continue to review the Croft House Grant scheme annually to assess its impact and effectiveness;
  - promote community awareness of Asset Transfer, and build capacity and uptake by publicising a network of named local advisors and experts; and
  - collaboratively review suppliers' gigabit-capable build to optimise the delivery and impacts of the first Project Gigabit procurement in Scotland, later this year.
- extend use of rural housing burdens in the delivery of affordable housing;
  - consider the case for Compulsory Sales Orders;
  - apply New Deal for Business principles to better support partnership working which supports rural and island economies, business growth, and community wealth building, in particular through:
    - closer connections with housing sub-groups of Regional Economic Partnerships, delivering systematic consideration of future economic growth opportunities, housing delivery, construction and skills capacity and the broader role of the private sector; and
    - work to address challenges with construction supply chains, skills and capacity.

### **We will also:**

- support collaborative and place-based approaches to identify land for affordable housing, including a focus on public sector assets, and land reform rooted in community empowerment;
- jointly fund, with Nationwide Foundation, capacity within the Communities Housing Trust and South of Scotland Community Housing to support affordable housing delivery;
- consult on changes to building standards which would require developers to deploy and optimise digital connectivity in all new housing developments;
- give local authorities new powers to apply higher council tax rates for second homes from April 2024;
- work with local authorities to monitor the designation of short-term let control areas;
- commission independent research to support a review of affordable home ownership in rural and island areas;

### **And future innovation will emerge from:**

- continued local collaboration between Scottish Government area-based teams, local authorities, registered social landlords and other key partners and stakeholders including sharing of knowledge and best practice; and
- regular partner and community engagement, and an annual summit chaired by the Minister for Housing to assess progress, impact and the changing dynamic across Scotland's rural and island communities.

These summary actions are described in more detail in the body of the Action Plan.

## Strategic Context

The First Minister set out the missions of Scottish Government in Equality, opportunity, community: New leadership – A fresh start in April 2023, making clear that equality, opportunity and community are the government’s missions. This plan supports these missions and complements a range of other vital work being taken forward to deliver for our remote rural and island communities. Housing will also be a key part of the forthcoming Rural Delivery Plan, which will set out how all parts of the Scottish Government are delivering for Scotland’s rural, coastal and island communities.

This plan sets out a range of actions to support Housing to 2040, our long-term national housing strategy to ensure people have good, safe, secure and warm homes. Specifically, it supports the commitment in that strategy to take **‘action so that rural and island communities have access to high quality affordable and market housing, which is planned alongside the infrastructure that helps people live, work and thrive and help stem rural depopulation’**.

Housing to 2040 recognises the challenges and diversity of housing delivery in rural areas and it also recognises the significant and generational impact that a small number of additional homes can make to the long-term resilience of rural communities. The role of rural housing was further emphasised by specific commitments in the Bute House Agreement between the Scottish Government and the Scottish Green Party.

Scotland’s National Islands Plan recognises that no single aspect, be it transport, housing or health, operates in isolation. They are all reliant on one another and need to work together to achieve the best possible outcomes. It includes a range of commitments around housing including making best use of existing homes, regulation of short-term lets, tackling empty homes and the continuation of grant funding for crofters to build and improve croft houses. The National Islands Plan Implementation Route Map sets out how the Scottish Government is delivering priorities over the lifetime of the National Islands Plan. As required by the Islands (Scotland) Act 2018, the National Islands Plan is being reviewed in 2023–2024 to ensure it remains fit for purpose.

The focus of this Action Plan is on remote, rural and island communities. The Scottish Government defines urban-rural classification in a consistent way based on population and accessibility. For the purposes of this Action Plan, we use the 6-fold classification of remote rural, accessible rural and remote small towns (classification areas 4, 5 and 6).

The housing issues faced by remote, rural and island communities are diverse. The quality, price and availability of homes can vary as can local economic opportunities and incomes. Location, accessibility, transport and amenities will also have an impact. The demands placed on housing supply for uses other than as permanent homes are also key. The tourism sector is vital to many parts of rural Scotland, however, the level of demand from tourists and second homeowners, can affect the availability as well as the affordability of housing for local communities, key workers and seasonal workers.

This Action Plan recognises the complexity of delivering more homes in the right places in our remote, rural and island communities and that a one size fits all approach does not work. Interventions that work in one community may not be applicable in others and understanding housing supply, market drivers and demand as well as issues of tenure and affordability is key to the delivery of appropriate place-based housing solutions that will serve communities for generations to come.

Many of the actions in this plan will seek to address key challenges to enabling the delivery of more affordable homes, including availability of land, construction capacity, access to homes for key workers, as well as making best use of existing supply by addressing the high number of second homes and tackling empty properties.

The delivery of the actions can best be achieved in partnership. It will require commitment, collaboration, and dedication by a wide range of organisations and communities working together with the Scottish Government to deliver an increase in housing supply in remote, rural and island communities.





## Engagement

This plan supports the ambitions set out in [Housing to 2040](#), the development of which were underpinned by extensive consultation with communities and stakeholders across the country, including remote, rural and island communities.

In developing this plan, we have built on this consultation and have undertaken further and targeted engagement with a broad range of communities and stakeholders. This consisted of a range of meetings with key stakeholders and organisations representing a wide range of views of housing in remote, rural and island communities.

This included local authorities representing Scotland's rural and island communities, registered social landlords, rural housing enablers, development trusts, and businesses as well as agencies including Bòrd na Gàidhlig, Scottish Water, Scottish Land Commission and the Crofting Commission, amongst others. It also included business representatives (i.e. aquaculture, tourism, and construction), young people, representatives of speakers of Scottish Gaelic, farmers, crofters, and representatives of higher education. A list of stakeholders we engaged with is provided at the end of this plan.

Our engagement with Highlands and Islands Enterprise and South of Scotland Enterprise has been particularly valuable. We will continue to work closely with both organisations and through the newly formed housing sub-groups of the Regional Economic Partnership, together with local authorities, to support their work with business and local communities ensuring the strong links between housing and the local economy are positively supported.

## Key Themes That Emerged from our Engagement

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We know that the provision of housing in remote, rural and island areas can be complex, and that each area faces its own set of pressures and challenges as well as distinct opportunities. However, there are some key themes that emerged from our engagement which are common to many remote, rural and island areas and which this Action Plan aims to address. These are:

- 1.** Housing requirements in rural and island areas are intrinsically interlinked with the broader operation of place, the economy, and the community and solutions will require strong collaboration.
- 2.** There is limited private sector house building outside more populated areas limiting new supply options and access to home ownership.
- 3.** In some areas, there are challenges identifying suitable land to deliver the homes required. There is recognition that a more collaborative local approach could help to unlock opportunities.
- 4.** Delivery of housing is impacted by construction capacity, skills, and supply chain challenges in some areas, contributing to costs, time and overall deliverability.
- 5.** In some areas community-led housing is playing a key role in meeting local housing requirements and this process can be challenging and requires the continued provision of advice and support.
- 6.** There is a need to ensure best use of our existing homes, including empty properties, as well as balancing the demand for second homes and short term lets alongside the need for permanent homes.

# Delivering the Right Homes in The Right Places

Housing has a key role to play in the quality of life and sustainability of rural communities as well as supporting the local economy. Ensuring the right homes in the right places is fundamental to enabling rural communities to thrive. Targeted, place-based approaches, which consider current and future housing requirements, tenure and affordability alongside amenities and infrastructure are key to ensuring support for communities over the long-term.

In remote, rural and island areas, small-scale actions can bring about significant impacts and a small number of additional homes can make a generational difference, supporting the long-term resilience of communities. The Scottish Government's approach to the planning and delivery of new housing is focussed on providing the **"right homes in the right places"**. This underlying place principle applies as much to rural as urban areas and forms the basis for our approach to delivering housing solutions across Scotland.

The Scottish Government is committed to the delivery of high-quality affordable homes across Scotland including for our remote, rural and island communities. We have set a long-term ambition to deliver 110,000 affordable homes by 2032 of which at least 70% will be for social rent and 10% in remote, rural and island areas. We recognise that delivering more homes in rural and island areas can be more complex than in urban areas, homes take time to come forward, development costs are higher, and the identification of affordable and deliverable land opportunities in the right places can be more challenging.

The delivery of affordable housing through both our mainstream Affordable Housing Supply Programme and the Rural and Islands Housing Fund has strong links to community wealth building. Affordable housing providers, including local authorities, registered social landlords, rural housing enablers and communities delivering homes in rural and island areas, play a key role in local economies, with an economic impact beyond the homes they provide. Through both construction and maintenance, housing offers employment opportunities to local communities, including purchasing of goods and services, often benefitting local Small and Medium Enterprises, helping to support local employment and retain wealth in communities.

Our Community Wealth Building approach to economic development shows our commitment to strengthen the practical means by which we can achieve our wellbeing economy objectives outlined in the National Strategy for Economic Transformation. We are committed to use procurement to help deliver more and better jobs, business growth and shorter supply chains creating greater resilience and supporting net zero ambitions. We have put in place a set of tools, policy support and guidance to simplify procurement processes and increase access to information and opportunities.

Building on the Business in Parliament event held in February 2023, targeted Small and Medium Enterprise and third sector research, and ongoing engagement with businesses to test and improve approaches, we are developing a Small and Medium Enterprise, Third Sector and Supported Businesses Action Plan.

Planning for housing development takes place through an established process. Local authorities, as both the statutory housing and in most cases the planning authority, are responsible for assessing housing requirements and for ensuring appropriate land in the right places to enable the delivery of housing. The National Park authorities also have responsibilities as planning authorities.

Permitted Development Rights set out what can be built without submitting a planning application. New Permitted Development Rights came into force in April 2021 enabling the conversion of existing agricultural and forestry buildings to up to five dwellings per agricultural unit.

All planning authorities are required to prepare a Local Development Plan for their area, reviewed every ten years, setting out how places will change in the future, including where development should and should not happen. Local Development Plans show the locations of new homes and workplaces as well as how services and facilities such as schools and travel will be provided. Local Development Plans should set out tailored approaches to rural housing, and where relevant include proposals for future population growth – including provision for small scale housing projects and woodland crofts and the appropriate resettlement of previously inhabited areas.

In preparing Local Development Plans, planning authorities must take into account National Planning Framework 4 and Local Place Plans which are community-led plans setting out proposals for the development and use of land. Once Local Place Plans are completed and registered by the planning authority, they are to be taken into account in the preparation of the relevant Local Development Plan.

All local authorities are required to prepare a Local Housing Strategy, informed by an assessment of housing need and demand, setting out what their priorities and plans are for the delivery of housing and related services over a five-year period. Specifically for rural and island areas, local authorities should consider the distinct issues and challenges for housing and housing related services and set out their plans for addressing these. This includes setting out specific priorities for affordable housing across the area, including consideration of tenure, size, and any need for specialist provision. As the Local Housing Strategy is refreshed around every five years, this offers an opportunity for a useful sense-check on whether the Local Housing Land Requirements in Local Development Plans remains appropriate and deliverable.

Local authorities are also required to prepare an annual Strategic Housing Investment Plan which should closely reflect the priorities in the Local Housing Strategy. Each Strategic Housing Investment Plan includes details of priority affordable housing delivery projects for a five-year period including projects in remote, rural and island areas. Scottish Government reviews each Strategic Housing Investment Plan annually and provides feedback to local authorities.

The Scottish Government has five area-based teams which work closely with local authorities and other local stakeholders to support the delivery of affordable housing, and broader housing and place objectives. For example, Highland Council has a weekly Highland Housing Hub meeting with five actively developing registered social landlords, Scottish Government, and relevant local authority departments to monitor and co-ordinate activity. Similarly, Argyll & Bute Strategic Housing Forum is a multi-agency partnership which meets quarterly to co-ordinate and monitor affordable housing delivery locally and includes the local authority, registered social landlords, Scottish Government, Rural Housing Scotland, and Communities Housing Trust.

**The diagram below demonstrates the range of stakeholders with a key housing interest and the role they have in the housing system.**

# Key Stakeholders

## Housing in Remote, Rural and Island Areas



### Private developers

- Submit new development proposals.
- Construction services and housing delivery.



### Third Sector Housing Bodies

- Support for community led housing projects.
- Housing delivery Information.
- Advice and Support.
- Policy and Practice.



### Registered Social Landlords

- Own and Manage affordable housing.
- Deliver new affordable housing developments.
- Advice and support to tenants.



### Scottish Government

- National Policy – Housing to 2040 / National Planning Framework 4
- Guidance:
  - Local Development Plans;
  - Local Housing Strategies;
  - Strategic Housing Investment Plans; and
  - Affordable Housing Supply Programme.
- Funding to local authorities, registered social landlords and others to deliver affordable housing, improving housing quality and ending homelessness.
- Delivers home ownership support, including Low Cost Initiative for First Time buyers schemes and Self Build Loan Fund.



### Local Government

- Statutory Housing & Planning Authority.
- Statutory duty under Housing (Scotland) Act 2001 to develop a Local Housing Strategy, in consultation and supported by an assessment of housing need and demand.
- The Local Housing Strategy sets out the vision for the delivery of housing and housing related services across the local authority area.
- Range of statutory duties such as homelessness, fuel poverty, equalities, climate change, energy efficiency and housing quality.
- Develop an annual Strategic Housing Investment Plan reflecting Local Housing Strategy priorities.
- Develop a Local Development Plan.
- Determine planning applications.



### Residents

- Residents of remote rural and Island communities.
- Housing delivery and Local Place Plans.



### Employers

- Private businesses and public services.
- May own assets such as land and housing.



### Stakeholder groups

- Role according to remit, may influence or guide Scottish Government or local government policy and strategy development.



### Enterprise Agencies

- South of Scotland Enterprise.
- Highlands and Islands Enterprise.
- Role in supporting regional economy and community development.

# Enabling the Delivery of More High-Quality Affordable Homes

## Access to Land

Access to developable land, in the right places and at the right prices to support viable development, is fundamental to the delivery of our housing ambitions and programmes in remote, rural and island areas. It is important, however, that this is balanced with other key considerations such as the protection of our natural environment, including protection and restoration of peatland and other important habitats, as well as supporting traditional forms of living and other aspects of cultural identity such as Gaelic-speaking communities.

The Scottish Government is committed to improving the transparency of land ownership and to ensure land holdings deliver in the broader public interest as well as empowering communities to have more say in how land should be used.

In addition, the Scottish Land Commission is taking forward a range of important work to support land to come forward to community ownership, including through the Community Land Leadership Group and its collaboration with Crown Estates on the Community Land Accelerator Pilot.

The Scottish Government established five Regional Land Use Partnerships pilots aimed at facilitating collaboration between local and national government, communities, landowners, land managers and wider stakeholders. The pilots are working to develop locally appropriate approaches to developing Regional Land Use Frameworks by the end of 2023. These frameworks will seek to demonstrate how, by taking a natural capital approach, we can maximise the contribution that our land can make to addressing both regional priorities and national targets and ambitions, achieving net zero with a just transition.

## The Role of Local Development Plans

Local Development Plans help deliver the strategic approach and policy objectives set out in [National Planning Framework 4](#) including requirements for the identification of land for housing. National Planning Framework 4 includes Minimum All-Tenure Housing Land Requirements for each planning authority in Scotland. The Minimum All-Tenure Housing Land Requirement is the minimum amount of land, by reference to the number of housing units, that Local Development Plans are expected to provide across the planning authority area for a ten-year period. Local Development Plans are required to identify a Local Housing Land Requirement for the area which is expected to exceed the Minimum All-Tenure Housing Land Requirement set out in National Planning Framework 4.

The Local Development Plan must contain a spatial strategy that makes provision for housing in rural areas. It should actively promote sustainable living, taking account of the different needs of rural areas and their local communities, as well as different delivery challenges. The resource implications of the proposed pattern of development, including facilitating access to local community services and support for sustainable transport, should be understood and used to inform a rural approach to the concept of local living.

## Action

**We will work with stakeholders to monitor implementation of National Planning Framework 4 national planning policies through its accompanying Delivery Programme and reflect on the progress of new Local Development Plans as they are prepared, particularly how they respond to and align with policies in National Planning Framework 4.**

## Land for Housing

Through our engagement, stakeholders identified access to suitable land as one of the key challenges to the delivery of more homes. We also heard from community groups and development trusts that have been successful in accessing land and buildings through Community Asset Transfer as well as landowners seeking to engage with communities and others in the potential sale of land or looking to support opportunities for the delivery of affordable homes locally.

The Scottish Land Commission's report [The Role of Land in Enabling New Housing Supply in Rural Scotland](#) noted that the interests of communities and landowners can often be more closely aligned than perhaps sometimes characterised. It also noted that improved communication and collaboration greatly improves the prospects of a transaction being concluded.

Mechanisms such as rural housing burdens, can also play a role in providing some assurance to landowners that any land which they do make available will be used for the long-term provision of affordable homes.

The availability of suitable land in the right locations is vital to enable the delivery of more homes where they are required. Considerable funding has been made available to support the delivery of affordable homes across rural Scotland and we continue to work with local authority partners and others to support delivery.

We recognise there is already a range of work and activity in place and we are keen to build on this. This will include working with public sector agencies to consider land and building assets they hold that may be appropriate for housing.

Where public organisations have land or housing they plan to divest themselves of, we would expect them to consider the role it may serve in meeting broader housing ambitions and to engage with local authorities or other relevant housing partners, in the first instance to discuss.

## Action

**We will engage with Scottish Government agencies and relevant Non-Departmental Public Bodies to identify any surplus land and building assets that may support affordable housing.**

We know that in some areas, it can take time to identify and bring forward suitable land to deliver affordable housing, often requiring considerable resource and collaborative work across a range of diverse interests. We recognise that appropriate actions need to be identified and taken in a planned way, to enable a pipeline of suitable land, in the right place and at the right time, to support the delivery of the affordable homes required.

Through the Convention of the Highlands and Islands Working Group on Population, three Community Settlement Officers posts were created to focus on better understanding local population challenges, and developing solutions to address these. The Community Settlement Officers are employed by Argyll and Bute Council, Comhairle nan Eilean Siar, and the Highland Council.



In Highland, work has been carried out on an in-depth mapping exercise of potential plots of land identified by communities for development. Benefiting from strong local knowledge, the officer has been able to successfully develop positive engagement with the owners of private estates, public bodies, and community groups in the area, with all parties now considering their role in delivering housing projects to support the retention and attraction of people into the area. A cumulative area of 19.42 hectares has been identified for potential housing sites within Community Council Areas, of which a range of sites (12.36 hectares) are being taken forward for further development consideration.

## Action

**We will continue to support the Community Settlement Officers in 2023–24 and will undertake a review of the potential benefits of the approach in building partnerships between public, private and community sectors in identifying land for housing.**

**Where a local authority identifies specific constraints relating to the availability of suitable land to support the delivery of affordable homes, we will work collaboratively with them as well as landowners and other relevant stakeholders to identify additional land opportunities with the potential to support appropriate delivery.**

## Land Reform

Scotland has a proud history of land reform since the early days of devolution. [The Bute House Agreement](#) and [Equality, Opportunity and Community: New Leadership, Fresh Start](#) set out our commitment to the introduction of a further Land Reform Bill. We are committed to introducing land reform legislation to further improve transparency of land ownership, help ensure large scale land holdings deliver in the public interest and empower communities by providing more opportunities to own land and have more say in how land in their area is used.

The measures will support and encourage community engagement, transparency, and responsible land management, which will benefit local communities by empowering them to engage with local landowners, improving understanding, and encouraging responsible management practices. It will include new measures to regulate the market in large-scale landholdings, including the introduction of a Public Interest Test, and requirements for community bodies to receive prior notification of impending sales or transfers.

The [Land Reform \(Scotland\) Act 2016](#) promotes responsible, diverse land ownership, and addresses issues of fairness, equality and social justice connected to ownership, access, and use of land, by placing a statutory duty on Ministers to prepare a Scottish Land Rights and Responsibilities Statement. The statement was first published in 2017 and revised in 2022, consisting of a Vision and seven Principles, which lay out how land can be responsibly managed to support a strong and dynamic relationship between Scotland's land and its people. It sets out how we see the balance between the rights of landowners, managers, local communities, and society at large. The [Scottish Land Rights and Responsibilities Statement 2022](#) included the addition of a principle which states that "Land ownership, management and use should deliver a wide range of social, environmental, economic and cultural benefits".

Scottish Ministers have also published guidance on engaging communities in relation to decisions relating to land, a requirement under the Land Reform (Scotland) Act 2016, to support greater collaboration and engagement between those who make decisions about land and the local communities that are affected by those decisions.

The Land Reform (Scotland) Act 2016 also increased transparency of land ownership and control, by providing powers to introduce the Register of Persons Holding a Controlled Interest in Land, ensuring that communities, tenants, and landowners know and understand more about who controls land – including those from outside the UK.

The Land Reform (Scotland) Act 2003 first provided for the community right to buy, the legislative mechanism through which communities have a right to buy land. This was extended in 2016 for local, place-based communities, where it can further the achievement of sustainable development. Communities already have the right, under the Community Empowerment (Scotland) Act 2015 to register an interest in any type of land – urban or rural. If the land comes up for sale, they have first choice to buy the land.

## Action

**We will introduce land reform legislation to further improve transparency of land ownership, help ensure large scale land holdings deliver in the public interest and empower communities by providing more opportunities to own land and have more say in how land in their area is used.**

## Community Asset Transfer

The Community Empowerment (Scotland) Act 2015 introduced a right for community bodies to make requests to all local authorities, Scottish Ministers, and a range of public bodies for any land or buildings they consider they could make better use of. It gives community organisations new rights for their asset transfer application to be seen in set timescales and introduces a route of appeal to challenge negative decisions. And it places new responsibilities on public bodies to consider asset transfers not only for surplus buildings or land, but for all their estate.

Funding for asset transfer requests comes from a range of sources. Scottish Government provides funding to the Community Ownership Support Service to work with community organisations, and to work with the relevant authorities throughout the asset transfer process. Support provided to the Community Ownership Support Service is helping build community capacity, guiding and enabling local groups through the asset transfer process, and working with the relevant authorities to build knowledge and further embed the policy. Community Ownership Support Service has a dedicated adviser who covers the northern and western isles, and their services are free to access. Funding to support asset transfers can be applied for from the Scottish Land Fund.

Asset transfer can be used to support the delivery of affordable housing in rural and island areas where communities wish to progress and can demonstrate the associated community benefits and can therefore play a significant role in providing new opportunities for local people to continue living in their communities and contributing to the local economy and wellbeing. We recognise that engaging with the process, can sometimes be challenging for communities and we are working with communities and partner organisations to understand these challenges and better support our communities to achieve their ambitions.

We want to ensure organisations are compliant with community asset transfer procedures and community groups get a fair and transparent opportunity to put forward their plans. Our work with the [National Asset Transfer Action Group](#) and the ongoing review of the Community Empowerment (Scotland) Act 2015 will provide further opportunities for everyone to get involved.

## Action

**We will build upon community capacity and knowledge of the Asset Transfer process, working collaboratively with communities, relevant authorities, and our partners including the National Asset Transfer Action Group. We will do this by encouraging the sharing of good practices such as named point of contacts at relevant authorities, and promoting transparent processes that place community ambitions at their core.**

## Transport

The [National Transport Strategy](#) published in February 2020, sets out our vision for a 'sustainable, inclusive, safe, and accessible transport system, helping deliver a healthier, fairer, and more prosperous Scotland for communities, businesses, and visitors'. The [Second Strategic Transport Projects Review](#) will inform the Scottish Government's transport investment programme in Scotland over the next 20 years.

Of relevance to islands and peninsular communities, the Islands Connectivity Plan will replace the Ferries Plan and be broader in scope, considering aviation, ferries, and fixed links as well as onward and connecting travel. The Islands Connectivity Plan is being developed within the strategic context of the National Transport Strategy and the National Islands Plan. The intention is to develop a strategic Islands Connectivity Plan for all islands that will set a vision for Scottish ferries, outlining good practice and standards for delivery of ferry services.

The local living approach, embedded in the National Transport Strategy as well as a range of policy drivers and initiatives, including National Planning Framework 4, [Local Development Plan guidance](#) and regulations, and Housing to 2040, can help to achieve net zero by improving access to infrastructure, services, and employment, reducing reliance on private vehicles and in making our places more resilient to the impacts of climate change. The concept of local living can be applied in remote, rural or island areas to support improved climate resilience, better housing opportunities, modal shifts in transport, diversity in high streets and community wealth building.

## Digital Connectivity

Our [Housing to 2040](#) vision includes a focus on communities being digitally connected, enabling residents to work from home or hot desk locally when they need or want to. All new build homes delivered by local authorities and registered social landlords under the Affordable Housing Supply Programme are expected to be digitally enabled with connections required to utilise the best available technology and, where it is not possible for a gigabit capable technology to be provided immediately, the physical infrastructure should be installed to support retrospective deployment.

Digital connectivity is a key enabler of economic growth, both in terms of supporting businesses and those who may wish to live in rural and island communities whilst working remotely. The Reaching 100% programme (R100) supports the Scottish Government's commitment to extend superfast broadband access to all premises across Scotland. It is working alongside ongoing commercial activity to deliver future-proofed connectivity throughout Scotland. By March 2028 we expect to have connected over 114,000 premises to superfast broadband through the R100 contracts with around 70% of those being in rural areas, 12,000 of which will be in island communities. As of 30 June 2023, over 30,000 properties now have access to superfast broadband following R100 activity.

The vast majority of R100 contract build will be fibre to the premises, capable of delivering gigabit connections of up to 1,000 megabits per second. The R100 contracts are central to delivering gigabit-capable broadband access to rural and island properties in Scotland. In delivering gigabit-capable connectivity, we are putting rural Scotland ahead of the curve, delivering connections over 30 times faster than the original superfast commitment (30 megabits per second).

During 2022, 16 subsea cables were deployed to 15 Scottish islands as part of the R100 Programme providing future-proofed, resilient connections to these communities for decades to come. Upon completion of build, over 12,000 island properties will have access to gigabit capable fibre to the premises connections.

A public review will confirm the eligibility of premises for potential future procurements associated with the UK Government's Project Gigabit programme, using information provided by suppliers about their planned and completed gigabit-capable build. Throughout our continued close working, we will urge the UK Government to commit the level of funding required to deliver future-proofed connectivity across Scotland, leaving no-one behind.

## Action

**We will undertake a review of suppliers' current and planned gigabit-capable build, including inviting views from wider stakeholders.**

**We will continue to engage closely with Building Digital UK as progress is made towards the launch of the first Project Gigabit procurements in Scotland, which we expect before the end of 2023.**

**In 2023, we will consult on changes to building standards which would require developers to deploy and optimise digital connectivity in all new housing developments.**

## Scottish Government Housing Programmes

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The Scottish Government provides support to deliver homes in rural and island areas through a range of national programmes and interventions. Local authorities receive multi-year Resource Planning Assumptions through the Affordable Housing Supply Programme to enable them to forward-plan affordable housing delivery effectively. Priorities for housing investment over a five-year period are set out in local authority Strategic Housing Investment Plans and local authorities are expected to over-programme to allow for slippage across their programmes. We would also expect local authorities to continue to consider the inclusion of projects to meet priority housing requirements across all areas including remote, rural and island communities.

## Affordable Housing Supply Programme

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Between 2016–17 and 2022–23, the Affordable Housing Supply Programme, including the Rural and Islands Housing Fund has supported the delivery of over 10,000 affordable homes in remote, rural and island areas.

The Affordable Housing Supply Programme comprises a range of funding mechanisms to enable homes for social rent, mid-market rent, and low-cost home ownership across Scotland, supporting priorities set out in local authorities' Local Housing Strategies and Strategic Housing Investment Plans. It has in place affordable housing investment benchmarks which recognise the additional cost of delivering homes in rural and island communities. The benchmark system is a flexible, administrative tool which is used for grant assessment purposes only – it is not a cap on required grant levels.

### Brathwic Terrace – Isle of Arran, North Ayrshire<sup>1</sup>



The Brathwic Terrace development at Brodick on the Isle of Arran completed in June 2022. This was the first council housing to be built on the island for more than 20 years. The project saw the addition of 34 new homes for social rent by North Ayrshire Council and comprises a mixture of general needs homes, amenity bungalows and wheelchair liveable homes. Scottish Government contributed grant funding of £2.38 million from the Affordable Housing Supply Programme. The properties were let through the North Ayrshire Housing Register which included the use of a Local Lettings Initiative for key workers specific to the island.

In addition to mainstream Affordable Housing Supply Programme funding for local authorities and registered social landlords, there are a number of other distinct programmes within the broader Affordable Housing Supply Programme.

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<sup>1</sup> Photo credit: North Ayrshire Council

## Rural and Islands Housing Fund

In recognition of the differences in the housing system in rural and island areas of Scotland, the demand-led Rural and Islands Housing Fund has been operating since 2016-17 and is targeted at those unable to access the mainstream affordable housing programme such as communities, landowners and other eligible organisations. The fund has enabled local organisations to take a more active role in meeting the housing needs of their communities where they choose to do so and complements existing investment in affordable housing directed through registered social landlords and local authorities. The demand-led fund is now widely recognised as a route for the delivery of homes in some of the most remote communities. The Scottish Government is making up to £30 million available through the demand-led fund during the current parliamentary term. Interest in the fund remains high, with over £18 million allocated to projects as of August 2023 and a pipeline of projects being supported by feasibility funding, with the aim of progressing to the main fund.

### Smaller Isles – Orkney<sup>2</sup>



Since the Scottish Government's Rural and Islands Housing Fund was launched in 2016-17 several projects have come forward from Development Trusts on Orkney's smaller isles.

The Rural and Islands Housing Fund has provided almost £1 million towards the refurbishment of existing homes or other building, converting them into residential use in North Ronaldsay, Papa Westray, Shapinsay, Westray, Sanday and Stronsay. As at May 2023, five homes have been completed, and are tenanted, with a further five under construction. The homes are an important asset for these small, fragile island communities, helping to sustain or increase their island population. A number of the Development Trusts are now embarking on further affordable housing provision with additional projects coming forward in 2023 and onwards.

<sup>2</sup> Photo credit Shapinsay Development Trust

## Affordable Home Ownership

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We provide support for affordable home ownership for first-time buyers and priority groups who could not otherwise afford to buy on the open market through our Low-Cost Initiative for First-Time Buyers schemes which comprise the Open Market Shared Equity and the New Supply Shared Equity Schemes.

Between 2014 and 2022 1,486 homes were purchased through the Open Market Shared Equity scheme in remote, rural and island communities. Of these, 243 were in remote rural areas, 353 were in remote small towns and 890 were in accessible rural areas. Between 2017 and 2022, 250 homes were approved through other Low-Cost Initiative for First-Time Buyers schemes. Of these, 83 were completed during this period, 14 in remote small towns, 23 in accessible rural areas and 46 in remote rural areas.

## Partnership Support for Regeneration

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We also provide Partnership Support for Regeneration grants to private developers to build homes for sale in areas of demand with little or no new private housing delivery. Projects are required to meet the local strategic investment objectives of the area.

## Self-Build Loan Fund

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The Self-Build Loan Fund plays a vital role in contributing to the long-term sustainability of our rural and island communities and it has proven to be particularly successful in the Highlands and Islands. It is available to self-builders across all areas of Scotland who are unable to access standard bank lending and provides a loan of up to £175,000 to help finance the cost of development. The Fund was extended for up to five years in November 2022, with £6 million recyclable loan funding made available. Since 2016, a total of 61 loans have been offered including thirty in Highland Council area and ten in Comhairle nan Eilean Siar.

## Self-Build Loan Fund – Mull<sup>3</sup>



Gary and Susan in Mull decided to build their own home utilising support from the Self-Build Loan Fund.

With loans of up to £175,000, the Self-Build Loan Fund gave Gary and Susan the confidence and security to undertake the project. The couple, both retired, were able to use equity from their previous home to undertake the project. The Self-Build Loan fund provided a vital bridging loan allowing them to undertake the project quickly, given that there is a limited construction window in Mull due to weather conditions.

Having the bridging finance allowed them to hire local builders and contractors, secure in the knowledge that they could be paid. The couple received guidance and expertise from Communities Housing Trust.

## Housing Infrastructure Fund

The Housing Infrastructure Fund is helping to support key strategic housing projects which have been blocked or unable to proceed due to the extent and costs of infrastructure works involved. The fund is prioritised to projects which support the delivery of affordable housing. The second round of the Housing Infrastructure Fund was launched in 2021 and will run to 31 March 2026 building on the success of round one which invested around £50 million loan and grant across urban and rural areas to fund infrastructure that will help unlock delivery of more homes.

<sup>3</sup> Photo credit: Communities Housing Trust



# Making Best Use of Existing Homes and Support for Home Ownership

Alongside the delivery of new homes for remote, rural and island communities, it is also important that local authorities have the tools available to allow them to make the best use of existing housing.

Over the past decade, the growth of online platforms has fuelled the trend for residential homes, particularly in tourist hotspots, to be changed from primary homes to short-term lets or second homes. Making the best use of our existing housing can make a significant contribution to increasing the available supply of permanent homes. This could be by limiting the number of second homes, changing the use of properties used for tourism to private rental tenancies, acquiring properties back into the affordable sector as well as bringing empty homes back into use. It is all about balance and the need to ensure that this balance best serves the needs of communities.

As part of our response to the Temporary Accommodation Task and Finish Group, we committed to investing at least £60 million from the Affordable Housing Supply Programme in 2023-2024 to support a national acquisition programme. This programme will enable local authorities and registered social landlords, including those operating in our remote, rural and island communities, to acquire the right properties in the right places for use as high quality, affordable, permanent homes.

## Second Homes

Housing to 2040 committed to providing local authorities with tools and powers to support local areas to make the best use of their existing housing stock. This includes managing the number of long-term empty homes, short-term lets and second homes.

We recognise that geography can often be an important factor, with concentrations of second and or empty homes in specific areas across Scotland including remote, rural and island locations.

As of September 2022, there were 24,287 second homes (classified for council tax purposes), equating to around 1% of all residential accommodation in Scotland.<sup>4</sup>

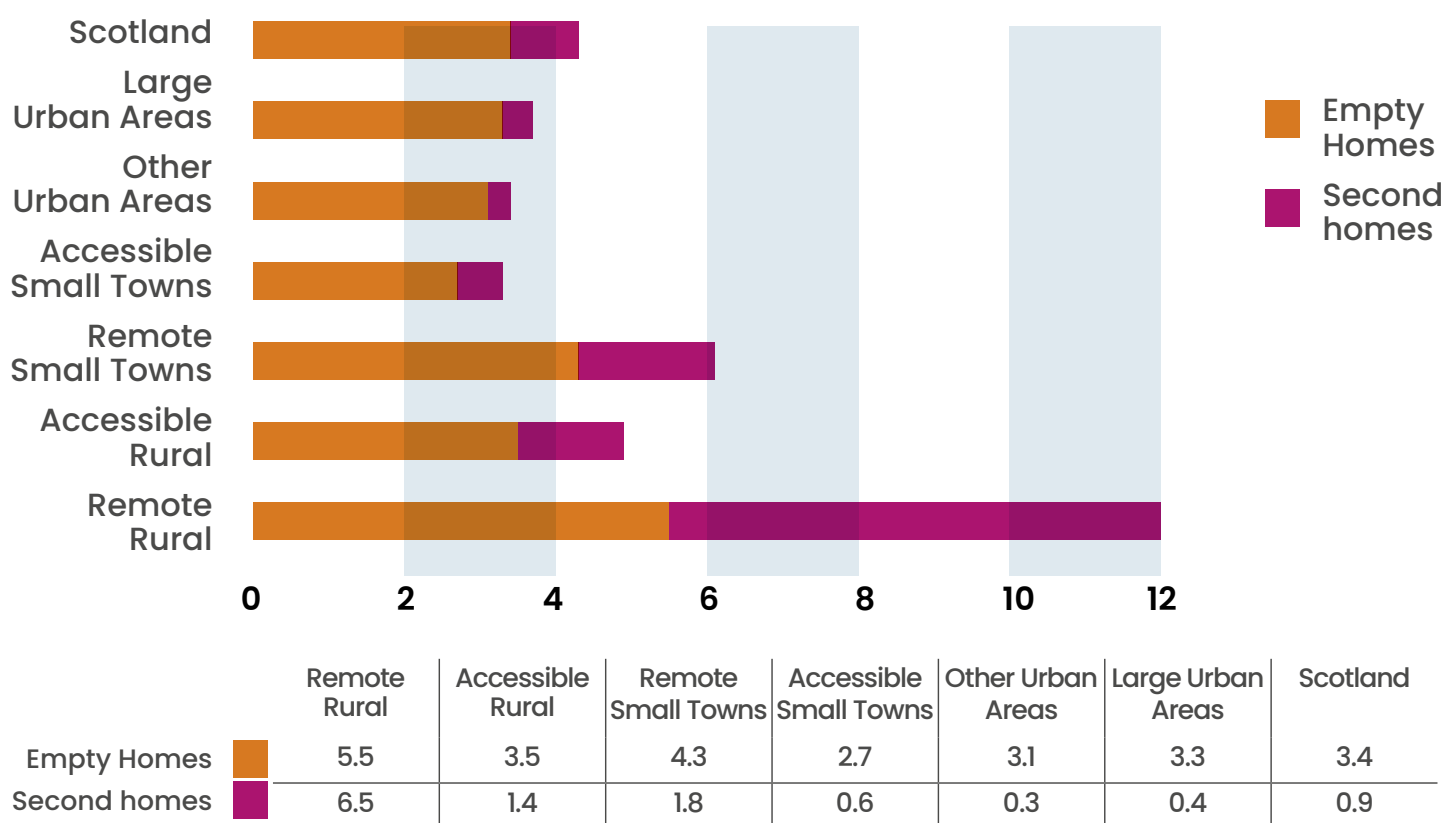
Demand for second homes, especially when concentrated in particular areas, can reduce the supply of permanent homes and inflate house prices, making it more difficult for people, particularly younger people, or those with fewer resources, to access the homes they need.

<sup>4</sup> [Housing statistics: Empty properties and second homes - gov.scot \(www.gov.scot\)](https://www.gov.scot/housing-statistics/empty-properties-and-second-homes)

We recognise that second homes and short-term lets bring benefits to those who own them and the tourism businesses and local economy that they support. While recognising the positive economic impacts that tourism can bring, low occupancy of second homes, even if used partially as short-term lets, can minimise associated economic contribution and the broader support for local public services.

Data from [National Records of Scotland Small Area Statistics](#) on Households and Dwellings in September 2022 – published June 2023 – shows that remote rural areas have the highest proportion of empty and second homes across Scotland.

### Percentage of empty homes and second homes by Urban/Rural classifications, September 2022



Where communities are reliant on the seasonal tourist economy, there is a balance that needs to be found between local housing needs for residents, housing for seasonal workers and accommodation for tourists.

### Action

We will deliver secondary legislation to enable councils to apply up to a 100% premium on council tax rates for second homes from April 2024.

## Short-Term Lets

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We know that for some communities, the increase in the use of short-term lets has limited the supply of properties available for those seeking permanent homes. While we recognise that short-term lets can bring benefits to communities including through associated jobs and visitor attraction, we also recognise that in some areas, high concentrations can be problematic, which is why we have introduced legislation to regulate the use of short-term lets.

Licensing brings short-term lets in line with regulations of other accommodation such as hotels, caravan sites and houses of multiple occupation, by ensuring that they are of a suitable standard and have appropriate safety measures. We consider licensing is appropriate for the whole of Scotland, including island and rural communities, and offers considerable flexibility to local authorities on how it is implemented.

Powers to designate control areas are available to local authorities to manage high concentrations of short-term lets. In a designated control area, it is a mandatory condition for licence applications to obtain planning permission, each planning application will be determined in accordance with the development plan and relevant material considerations.

### Action

We will continue to work with local authorities to monitor the designation of short-term let control areas to understand and share learning about how these have enabled councils in different locations (urban and rural) to better manage the number of short-term lets. A more comprehensive update about the implementation of short-term lets regulation, covering both planning and licensing, for the different types of short-term lets will be carried out in 2025.

## Empty Homes

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We know that tackling empty homes and returning them back into use as warm, safe and secure housing can make a critical contribution to the delivery of homes across remote, rural and island communities. We recognise that the reasons why homes become and stay empty are often complex and multi-faceted, and that bringing homes back into use takes time and perseverance, with relationship building often the key to success.

We continue to fund the Scottish Empty Homes Partnership to work with local authorities and private owners which has helped to return more than 9,000 homes back into active use since 2010 – including 1,257 in 2022-23. Phase 2 of this project seeks to move beyond the initial phase which looked to establish empty homes services and build a network of officers across Scotland. The aim is to develop a more strategic approach to bringing empty homes back into use and embed this within the Empty Homes Partnership and its delivery partners, supporting the Scottish Government in its aims to bring empty homes back into use as affordable housing for those that need it.

The Empty Homes Partnership recently launched the Empty Homes Framework (which has been co-produced with local authorities) as a step-by-step guide to developing a strategy document that identifies priorities for action, opportunities for partnership working, interventions and resourcing. Our network of empty homes officers operating across urban, rural and island areas will be vital in helping to drive forward this approach and we want to see all local authorities bring the benefits they provide to the communities they serve.

Through the Affordable Housing Supply Programme, the Scottish Government is providing support to local authorities and registered social landlords to purchase empty homes where this is appropriate. Similarly, through the Rural and Islands Housing Fund, communities can access support to bring empty homes back into use.

In September 2023, the Scottish Government published independent research titled 'Bringing empty homes back into use: an audit of privately owned empty homes in Scotland'. The report makes clear that tackling empty homes remains a priority for the Scottish Government and is a key part of the solution to meeting housing demand. The audit considered: the current picture of empty homes in Scotland; the key barriers and opportunities for bringing homes back into use; existing approaches and interventions; and ideas for improvement.

The report offers a number of recommendations on further actions that could be taken forward by Scottish Government, local authorities and others to support more empty homes being brought back into effective use. The Scottish Government has published its response to the recommendations highlighting the priority actions it will take forward.

## Action

We will work with the Scottish Empty Homes Partnership, local authorities and owners to bring more empty homes in rural and island areas back into use, promoting available funding options, sharing best practice and identify opportunities for stronger collaboration.

### Empty School House – Achiltibuie, Highland<sup>5</sup>



A former schoolhouse that had lain empty for over five years in the small community of Achiltibuie in Wester Ross was transformed into two affordable dwellings by Coigach Community Development Company, working in partnership with Communities Housing Trust. The project received funding of £74,472 from the Rural and Islands Housing Fund and was also funded jointly by the Nationwide Foundation, The Highland Council and Highlands and Islands Enterprise.

Community ownership of the disused schoolhouse has given the building a new lease of life via an asset transfer from The Highland Council. Rural and Islands Housing Fund was instrumental in funding this renovation, which was the first project to be completed through this mechanism.

<sup>5</sup> Photo credit: Communities Housing Trust

## Affordable Home ownership

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We recognise that each local housing market in rural and island areas faces varying pressures and different challenges. A number of factors can impact on people being able to access affordable home ownership and a lack of new private housebuilding is a common feature across most rural and island housing markets. A constraint on the supply of homes can increase the pressure on existing homes, which can lead to house prices increasing and homes selling for significantly above the valuation, meaning there are less affordable homes for buyers. While this is also a feature in many urban housing markets, housing pressures are often more pronounced in rural and island areas as there can be fewer homes available for sale on the open market.

There are a range of existing mechanisms available under the Affordable Housing Supply Programme to support people to access affordable home ownership across remote, rural and island areas. In addition to the Open Market Shared Equity Scheme which mainly supports people to buy an existing home, other schemes are increasing the supply of new homes including the New Supply Shared Equity Scheme, Self-Build Loan Fund, Rural and Islands Housing Fund and Partnership Support for Regeneration Scheme.

## New Supply Shared Equity Scheme

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We are delivering affordable new build homes through the New Supply Shared Equity Scheme where local authorities have identified this as a priority. These homes are sold to eligible applicants on a shared equity basis. While targeted at increasing the supply of affordable housing in and around pressured housing markets, the scheme includes flexibility to respond to local housing market circumstances and can also be an option in other areas where there is an identifiable local need.

### Dunbeg, Oban – Argyll & Bute<sup>6</sup>



Link Group, working with West Highland Housing Association, are leading on delivering affordable housing in Dunbeg over a number of phases. Phase 3 is nearing completion and will provide 300 homes, supported by more than £35 million from the Affordable Housing Supply Programme. 40 of the homes are being made available for low-cost home ownership through New Supply Shared Equity Scheme.

The Argyll and Bute Housing Need and Demand Assessment identifies Oban as one of two areas of high housing pressure and an area of continued population growth in Argyll. Dunbeg, on the outskirts of Oban, was located to address this need.

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<sup>6</sup> Photo credit: Macdonald & Cameron Ltd

## Self-Build Loan Fund

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We are supporting self-provided housing through continued funding of the Self-Build Loan Fund. The Self-Build Loan Fund Pilot was launched in Highland Council area in 2016, and following its success, the national fund was established in September 2018. The fund has been extended for up to five years from November 2022 with a further £6 million recyclable loan funding available.

While the Self-Build Loan Fund is available across urban and rural Scotland, most projects to date have been undertaken in rural areas. The fund is available to individuals who already have access to a plot of land. The short-term nature of the funding means that it is similar to a bridging loan and in most cases the owner either obtains a mortgage or sells their existing property to repay the loan.

The [Planning \(Scotland\) Act 2019](#) introduced a requirement for planning authorities to prepare and maintain a list of persons who have registered interest with the authority with the intention of acquiring land in the authority's area for self-build housing. Each planning authority is required to publish the list and have regard to it in preparing their Local Development Plan, this can also inform Local Housing Strategies including the identification of relevant sites.

We are also continuing to support self-provided housing through planning policy. [National Planning Framework 4](#) supports new homes that improve affordability and choice, and address gaps in provision, including self-provided homes.

## Rural and Islands Housing Fund

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The Rural and Islands Housing Fund is increasing the delivery of more affordable homes across all tenures in remote, rural and island areas including homes for affordable rent, mid-market rent and affordable homes for sale. This includes home ownership projects in Abriachan, Highland, Staffin, Isle of Skye and Tomintoul, Moray.

## Castle Crescent – Closeburn, Dumfries & Galloway<sup>7</sup>



Nith Valley LEAF Trust identified a housing need in Closeburn, Dumfries & Galloway. The lack of suitable housing, particularly for families, was causing people to move away from the village, and impacting on the sustainability of the primary school. In addition, fuel poverty was identified as a major issue prevalent in local housing stock.

The project was supported by South of Scotland Community Housing. Nith Valley LEAF Trust purchased the land from the council, through an asset transfer. Work started on site in summer 2019 and three new houses were completed in August 2020.

A grant of £68,400 from the Scottish Land Fund enabled the purchase of the land and funding of £302,570 for the build was secured from the Rural and Islands Housing Fund.

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<sup>7</sup> Photo credit: Tom Manley Photography

## Partnership Support for Regeneration

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The Partnership Support for Regeneration Scheme is available to private developers, housing trusts and non-registered social landlords and can help increase the stock of owner occupied or private rented housing, in areas of limited or no supply. The funding provided helps bridge the gap between the cost of the development and the sales value of the units, providing the minimum level of grant funding needed to make the project financially viable. We have recently approved two projects in Orkney and Skye that will provide homes for sale.

## Open Market Shared Equity Scheme

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The scheme continues to support first-time buyers on low to moderate incomes and priority groups to buy a home for sale on the open market. It includes maximum threshold prices which are updated annually so that they continue to reflect the overall movement in average house prices over the latest year in each area, based on the median prices for rural areas.

## Affordable Home ownership – Next Steps

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We know that some people would like to become homeowners and remain living in their local communities. We will take steps to promote greater awareness and use of the existing Scottish Government home ownership mechanisms by encouraging local authorities to take a pro-active approach to the use of these mechanisms, where appropriate, to address local housing need in their communities.

We recognise that accessing home ownership in some rural and island areas can be particularly difficult due to the impacts of limited supply, high demand, as well as market conditions such as rising interest rates and inflation. We want to better understand the nature of some of these complex issues and market interactions to enable us to consider how current home ownership mechanisms are operating, any intended and unintended impacts on the market and what, if any, additional actions are required. As part of this work, we will consider the applicability of previous Scottish Government home ownership initiatives.

### Action

**In Summer 2024, we will commission independent research to support a review of affordable home ownership in remote, rural and island areas. We will consider the findings of this research and any recommendations to inform our next steps.**

## Rural Housing Burdens

During our engagement, stakeholders expressed support for the use and promotion of rural housing burdens in the delivery of affordable housing projects in rural areas. Rural housing burdens are already used in some areas in Scotland, particularly in the Highlands and can be generally added into the title of a property or house plot, when a property is first sold by section 43 of the [Title Conditions \(Scotland\) Act 2003](#). The burden gives a rural housing body the right of pre-emption and control of future sales to enable the property to be retained as an affordable and permanent home.

There can be distinct advantages to using rural housing burdens, in that the property must be occupied as a primary residence, which helps to ensure that properties continue to be used as homes in perpetuity. In the event of a sale, the rural housing body has the first opportunity to purchase the property. If that opportunity is not utilised and the property is sold on the open market, the burden remains on the title.

The property on which a burden has been placed may have been purchased at below market value, in which case the burden will remain on the title of the property in perpetuity.

### Action

**We will support and promote the wider use of rural housing burdens in the delivery of affordable housing. This will include working with lenders to explore their support for the use of rural housing burdens through Scottish Government funded affordable housing projects.**

## Compulsory Purchase Orders

Local authorities have broad compulsory purchase powers, which can be used to bring vacant and derelict land or buildings and empty properties back into use – including for housing purposes. In some cases, it is possible for bodies with compulsory purchase powers to acquire land for projects which are being carried out and or financed by a third party – these are sometimes referred to as “back-to-back” agreements.

### Action

**We have committed to reform and modernise compulsory purchase legislation in Scotland to make the system fairer, clearer and faster for all parties. As a first step we will appoint an expert advisory panel in 2023–24 to help inform the development of options for reform.**

**In 2024 we will take forward work to consider the justification for and practical operation of Compulsory Sales Orders, particularly in light of our commitment to reforming Compulsory Purchase Orders.**



## Crofting

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Crofting plays a vital role in maintaining the population of our rural and island areas, including the retention of young people and families. Unlike other forms of land tenure, crofters are subject to a number of statutory duties, including the requirement to be resident on, or within 32 kilometres of, their croft and to cultivate and maintain their croft. Failure to comply with these duties can result in a crofter losing their croft. In return for compliance with these duties crofters can apply for the Croft House Grant.

The Scottish Government has a track record of investing to improve croft housing. Since January 2007, the Scottish Government has approved Croft House Grant payments of over £24.4 million helping to build and improve over 1,100 croft homes.

Our National Islands Plan recognises that crofting plays a vital role in maintaining the population in remote rural areas including islands. The Croft House Grant enables crofters to live and work on or near their land, encouraging investment in crofts and enabling crofters to maximise the economic activity of their croft. In almost every case the croft house must be provided by the crofter themselves. The Croft House Grant assists crofters in improving or building their main residence.

The Scottish Government is committed to enabling more people to live on or near their croft, and to work their land and encourage investment in crofts and croft houses as this contributes to the economy in crofting areas. It also helps to halt population decline and contributes to the sustainability of rural communities.

The Scottish Government's [National Development Plan for Crofting](#) was published in March 2021, and highlights the core elements necessary to ensure that crofting remains at the heart of our rural and island communities.

## Action

**With further investment of £1.9 million in 2023–2024, we will continue to provide financial assistance to those crofters who wish to build or improve their croft house and will prioritise those who are most in need. We will also continue to review the scheme annually to assess its impact and effectiveness and ensure that it continues to provide much-needed support to active crofters.**

# Supporting Community-Led Development

Community-led local development can be key to supporting thriving, resilient rural communities. The Community-Led Local Development network of Local Action Groups work across Scotland's rural and island areas to tackle their own, local challenges and opportunities by building knowledge and skills, supporting new ideas and encouraging co-operation. Where there is land or buildings of particular significance these can be brought together alongside community aspirations into a Local Place Plan. In turn, once registered, Local Place Plans are a means of informing the preparation of the Local Development Plan for the area.

## Community-Led Housing

Community-led housing plays an important role in our broad approach to deliver more affordable homes in our remote, rural and island communities and provides an opportunity for communities to bring forward their own housing where they choose to do so. However, it is not just about housing, enhancing local living through associated commercial and community uses alongside housing is key to the resilience and sustainability of communities over the long term.

Community-led housing, is a broad and encompassing term for housing initiated, managed and owned by the community. While the focus is mostly on the provision of affordable homes, community led homes can be across a range of tenures including social rent equivalent, mid-market rent, private rent or low-cost home ownership.

Projects can be purely housing focussed or be taken forward alongside other community or commercial investment, providing a potential income stream to support ongoing costs such as maintenance. It can involve the re-use or redevelopment of existing buildings or new build, stand-alone homes or homes designed around community living concepts, potentially with workspaces, allotments or other features aimed at supporting greater community cohesion and sustainability. The organisational and management structures can also vary with some groups wishing to come together in co-operative structures with or without shared spaces, while others opt for more traditional group structures.

While the motivating concept of community-led housing is therefore often similar, the design, funding and delivery path can vary and is likely to be specific to the circumstances, objectives and nature of each project.

Communities across remote, rural and island areas are actively engaged in taking forward projects to deliver the housing they need, often supported by the Rural and Islands Housing Fund. The fund is playing a critical role in supporting community organisations and others, not able to access the mainstream affordable housing programme, to deliver the affordable homes their communities need. This can include the delivery of homes for affordable rent or sale including through new build, refurbishment or of empty homes or conversion of non-residential buildings. It can also include testing innovative and practical housing initiatives which deliver replicable solutions to the challenging aspects of affordable rural housing supply which could include through models such as inter-generational living and co-housing structures.

## West Whins and North Whins, The Park Ecovillage – Findhorn, Moray<sup>8</sup>



The Park Ecovillage in Findhorn, Moray has been in existence for over 60 years and includes over 100 ecologically designed homes with around 30 other buildings, most of which have a community function. In addition to affordable housing at the settlement the remainder of the properties are mostly privately owned homes and a small number of commercial buildings such as a shop and offices for the numerous social enterprises that co-exist at the village.

The Park Ecovillage Trust developed an affordable housing project for six flats, designed to a high eco-specification, with low running costs at their West Whins site. The project received £130,000 from the Rural and Islands Housing Fund and had private loan funding from members of the community. The homes were completed in 2017 with the project shortlisted in the SURF Awards for best practice in community regeneration housing category in 2018.

Following the success of the West Whins project, The Park Ecovillage Trust developed a second project, this time at their North Whins site, and delivered eight homes with the assistance of £532,592 funding from the Rural and Islands Housing Fund and commercial loan funding with the eight homes for affordable rent completed in summer 2022.

<sup>8</sup> North Whins. Photo credit: The Park Ecovillage Trust

## Enabling Communities to Deliver More Homes

Communities are not just residents, they include all those that live, work, and have a long-term interest in the area, including employers, landowners and others. The introduction of the Rural and Islands Housing Fund in 2016 has changed the landscape of rural housing delivery. The Scottish Government remains committed to the continuation of the Rural and Islands Housing Fund, making up to £30 million available this parliamentary term to support deliverable projects.

The Rural and Islands Housing Fund can work alongside other mechanisms such as the Scottish Land Fund, to help realise the housing ambitions of communities. The Scottish Land Fund offers grants of up to £1 million to help communities take ownership of the land and buildings as well as practical support to develop projects. While the Scottish Land Fund is not a specific housing fund, it can provide valuable support to allow communities to identify and access land to bring forward their housing ambitions. Understanding local need for housing and identifying land to deliver these homes are the first critical steps in the development of housing plans, and as such there are benefits to ensuring that the Scottish Land Fund and the Rural and Islands Housing Fund continue to work together to support communities. It is therefore vital that communities at an early stage undertake a local housing need assessment, there is early engagement between funders, local authorities and other local affordable housing providers on the likely delivery potential of projects as well as a shared understanding of what feasibility work is required.

### Stracathro Estates – Inchbare, Angus<sup>9</sup>



Stracathro Estates was one of the first private estates to approach the Rural and Islands Housing Fund for assistance. Approved in June 2020 with £533,000 in grant funding, Stracathro Estates commenced development of 6 homes for affordable rent at Inchbare. The homes were completed in October 2021. Following a campaign to keep the local primary school open, the lettings policy prioritised families with children of pre-school or school age.

### Action

**We will strengthen operational links between the Scottish Land Fund and the Rural and Islands Housing Fund to more closely align decision making for communities.**

**We will review the Rural and Islands Housing Fund to allow feasibility funds to be released earlier, where required, to support local housing assessments that can help inform applications to the Scottish Land Fund.**

<sup>9</sup> Photo credit: Scottish Government

## Rural Housing and Support

When taking forward housing development, communities need to consider a range of important matters. These include operational issues such as the structure of the organisation, the resource and skills available to them including the potential benefit of working with a delivery partner. Longer term, communities will also want to give consideration to how properties will be maintained and managed and the resource required to do this.

We know there are a range of third sector housing organisations who provide support to rural and island communities in terms of advice and facilitation skills. These include Development Trust Association Scotland and Rural Housing Scotland, providing support to their members, sharing best practice and advocating for rural communities. In the Western Isles, Tighean Innse Gall plays a key role in providing local housing services from property management and letting, to a care and repair service and heat and energy support and advice. Working closely with Hebridean Housing Partnership, the registered social landlord for the area, Tighean Innse Gall acts on the behalf of the Scottish Government to manage the resale of low-cost home ownership properties.

Communities Housing Trust and South of Scotland Community Housing operate across Scotland and provide direct support and advice to communities and other organisations seeking to take forward housing projects, including access to Scottish Land Fund and Rural and Islands Housing Fund. The important role of these organisations was emphasised through our engagement, with many individuals and organisations highlighting not only the role they can play in supporting delivery but in working locally to join up across communities and organisations.

The Scottish Government would like to see community-led development in remote, rural and island areas evolve further to become more self-sustaining over time. We recognise that this may take time to reach and will require support to get there. We want to ensure that there is access to the support and advice that communities need, and that effort is focussed on progressing developments through to delivery. The Scottish Government has agreed a package of support, co-funded with Nationwide Foundation, of up to £960,000 over the period 2023-24 – 2025-26 to support the staff capacity and expertise for Communities Housing Trust and South of Scotland Community Housing to bring forward projects in their existing pipeline to delivery while supporting the development of new projects.

### Action

**We are providing a package of financial support, co-funded with Nationwide Foundation, of up to £960,000 over the period 2023-24 – 2025-26 to support the staff capacity and expertise across Communities Housing Trust and South of Scotland Community Housing to progress deliverable projects in their pipelines.**

## Strengthening the Role of Community-Led Housing

From our engagement, we identified varying levels of engagement of local authorities in supporting community-led development. The role of the local authority in supporting and co-ordinating affordable housing delivery across their area is key. It is therefore important that local authorities take an active role in supporting community-led housing. This could include engaging early on feasibility and constraints, bringing together communities and other housing providers around shared delivery priorities as well as prioritising and monitoring progress alongside other affordable housing delivery programmes.

### Staffin, Skye<sup>10</sup>



Staffin is a small crofting community on the Isle of Skye which has a large proportion of Gaelic speakers as residents. A lack of permanent all-year round employment and affordable housing, an ageing and falling population and the migration of young people in search of work elsewhere are just some of the major challenges – 40 residents left in just four years.

In partnership with the Staffin Community Trust/Urras an Taobh Siar, the Communities Housing Trust project-managed a mixed development of six affordable homes, two commercial units for rent including workshop space, and a new health centre for NHS Highland, to replace the existing building which is unfit for purpose. The new community-owned health centre will be leased to the NHS, returning income to the community and it is planned that the former NHS building will be renovated into a further affordable home for the community.

The build began in August 2020 and the homes are a mix of social rent through Lochalsh & Skye Housing Association, community rent through Staffin Community Trust, and discounted sale through the Communities Housing Trust. The project received £381,426 funding from the Rural and Islands Housing Fund and residents moved into their new homes in February 2022.

The development has received several awards, including the Housing & Regeneration award at Scotland's Regeneration Forum 2022, the Community Contribution award at the Scottish Home Awards 2022, the Excellence in Regeneration & Sustainability award at the Chartered Institute of Housing Scotland's Housing Awards 2022, and the Best Project Overall at the Highlands & Islands Architectural Association Awards 2022.

<sup>10</sup> Photo credit: Communities Housing Trust

## Action

**We will refresh Local Housing Strategy and Strategic Housing Investment Plan guidance in 2024 to include a focus on community-led housing. This will encourage stronger engagement at a local level between local authorities, registered social landlords, rural housing enablers and communities and require projects supported to be brought forward under the Rural and Islands Housing Fund to be identified in Strategic Housing Investment Plans.**

## Assessing Housing Need in Remote, Rural and Island Areas

Housing Need and Demand Assessments are undertaken by housing and planning authorities generally every five years as part of the Local Housing Strategy process and to also inform Local Development Plans. Housing and planning authorities can augment their Housing Need and Demand Assessments with robust additional data and research where this exists. The Housing Need and Demand Assessment sets out long-term housing requirements, including the likely requirement for new homes as well as trends in affordability and tenure.

A Housing Need and Demand Assessment is used by local authorities to inform housing-related policy responses through the Local Housing Strategy and Strategic Housing Investment Plans. While the Scottish Government considers that Housing Need and Demand Assessments remain fit for purpose, it also recognises for rural and island communities that it may not provide the granular level of information that may be required to support local housing decisions such as what type, size and tenure of homes may be required. This issue is also reflected in the National Islands Plan.

The development of a local housing needs assessment will therefore be a key first step for communities and others considering the current and future housing requirements of their area as well as a mechanism for engaging the broader community. A number of approaches already exist to support this work. Argyll and Bute council for example has a Community Housing Assessment toolkit which uses a household questionnaire to understand the housing needs of communities whereas rural housing enablers, routinely undertake local housing needs assessments for communities to support housing projects and funding applications. We will work with local authorities, communities and rural enablers to consider current and best practice approaches to local housing assessments including sources of information to support this process.

## Action

**We will develop guidance to support communities, local authorities and others to undertake local housing assessments based on best practice and robust methodology.**

# Housing and Local Economies

Housing is about far more than bricks and mortar. It is the quality of the homes as well as the place they are located which affect people's life chances and outcomes including employment, education, health and access to wider resources. Location is also important for local employers who need staff all year round as well as seasonally and a lack of suitable affordable local housing can impact on businesses recruiting and retaining staff – including key workers.

Housing to 2040, National Infrastructure Mission, Infrastructure Investment Plan, National Transport Strategy, Scotland's Digital Strategy and The Strategic Framework for a Cyber-Resilient Scotland are all driven by a determination to create and sustain a resilient national infrastructure that can support a high-productivity economy.

We recognise the vital contribution that housing across all tenures provides to Scotland's economies. Housing investment can be a powerful driver of local economic activity and the Scottish Government is making available £3.5 billion over the lifetime of the current Parliament across Scotland to deliver more affordable homes. Delivering the Scottish Government's ambitious target of 110,000 affordable homes by 2032 could support a total investment package of around £18 billion and up to 15,000 jobs each year.

It is important that there is strong collaboration between local authority housing, planning, and economic development officials to ensure close joint working in support of housing, economy, and place ambitions. Linked to this, the activity and role of Highlands and Islands Enterprise and South of Scotland Enterprise is also key in facilitating joint working regionally and locally, connecting with local authorities in support of the housing and economy

interface. This includes working collaboratively with a range of interests to drive forward shared priorities, including business, statutory partners, development trusts and community-led organisations.

We are aware there are businesses who are actively providing housing solutions to meet their business needs and attract the workforce they need. This is being achieved in a range of ways including through the purchase and re-use of existing properties, provision of modular units or through the provision of purpose-built accommodation. The private sector has a key role to play in the provision of homes, including the use of existing land and building assets, and it is important that the sector continues to play its part. There are also opportunities for greater joint working between the private and the public sector to meet respective housing requirements and stronger collaboration can support delivery.

The Minister for Housing has recently met with Scottish Council for Development and Industry to explore how we can work more closely together to support joint objectives. This includes collaborative working through local chambers of commerce and other appropriate routes to identify barriers and challenges as well as solutions and opportunities.



As outlined in our Programme for Government 2023-24, the Scottish Government intends to help businesses and investors realise the enormous economic opportunities of the global transition to net zero and of creating good, well-paid jobs in sectors such as offshore wind and hydrogen.

Many of these sectors will have a presence in our rural and island communities. We will seek to engage with offshore wind and hydrogen, emerging industries such as the space sector, and significant existing rural industries such as aquaculture and Scotch Whisky industry to explore opportunities for collaboration and investment in housing. This will help to ensure local benefits as well as supporting the delivery of national ambitions such as responding to the climate crisis.

Scottish aquaculture is a significant contributor to our economy through trade, employment and investment in infrastructure such as housing, broadband and harbour facilities.

The sector supports a wide range of highly skilled and well-paid jobs across farming operations, supply chain businesses, research institutes and new innovative enterprises. Many of these jobs are located in Scotland's rural and island communities where they help to underpin valuable economic development although some employees do experience challenges in securing appropriate housing or housing close to the site of their employment.

Recent examples of positive partnership between communities, the sector, and Scottish Government, where the Rural and Islands Housing Fund has played a key role in supporting the delivery of new homes in Rum and Colonsay.

Building on such examples, we will continue to work with the aquaculture sector and others to utilise these partnerships and facilitate collaborative working between the sector and the communities they operate in to support workforce growth and retention through the provision of homes.

## Abergeldie Road – Ballater, Aberdeenshire<sup>11</sup>



Grampian Housing Association's project completed in October 2021, delivering 24 social rented homes at a former school site in Abergeldie Road, Ballater and was supported by £2.011 million Affordable Housing Supply Programme funding.

It is a rural regeneration project and is a combination of existing old buildings and modern new build homes. Each unit benefits from its own ground source heat pump so tenants are fully in control of their own heating and hot water. Local contractors were used for the development helping to boost the local economy. The project was shortlisted for a Scotland's Regeneration Forum award.

<sup>11</sup> Photo credit: Grampian Housing Association

## Action

Recognising the important role that housing plays in supporting rural and island economies, we will refresh Local Housing Strategy guidance in 2024 to strengthen links at a local level between housing and the economy.

We will work with local authorities, enterprise agencies and business representatives including private developers to improve understanding of housing requirements arising from key sectors. We will seek to enable more housing provision through sharing of good practice and collaboration between employers and housing providers.

Through the development of this Action Plan and through the Convention of the Highlands and Islands and Convention of the South of Scotland, stronger bonds are being forged including through the Regional Economic Partnerships to identify and take forward key actions to support housing and the economy. The Regional Economic Partnerships bring together regional interests, focussing and aligning resources, sharing knowledge, and identifying new proposals to accelerate inclusive economic growth at a local, regional, and national level. They have a key role to play in identifying future economic opportunities, including key areas of growth, and working with local partners to support the delivery of identified housing requirements.

This plan presents an opportunity to strengthen those links at a national, local and regional level between economic development and housing delivery and to strengthen collaborative ways of working to ensure its delivery.

## South of Scotland

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The collaboration between the Scottish Government, key regional partners and the housing sector, including the establishment of the Regional Economic Partnership's Strategic Action Group on Housing, provides an opportunity to work together to support the delivery of more homes. This builds on the existing work of partners including the statutory role of the two local authorities (Scottish Borders Council and Dumfries and Galloway Council) and will consider and identify deliverable collaborative actions and opportunities for partners, including the role of the private sector and community housing in the delivery of high-quality homes. A key area of collaboration will be ensuring the benefits of increased housing development are realised for the South of Scotland's economy and supply chains as well as linking into wider work of the Regional Economic Partnership on regional skills requirements.

## Highlands and Islands

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Similarly, through discussions at the Convention of the Highlands and Islands, a Housing sub-group of the Regional Economic Partnership has been established. The group, facilitated by Highlands and Islands Enterprise, includes representatives from local authorities, the Scottish Government, Scottish Federation of Housing Associations, Scottish Futures Trust, Community Land Scotland and others to consider the economic linkages, opportunities and pressures in terms of existing housing supply and the delivery of new homes alongside broader investment, skills and capacity requirements.

The group has recently convened and discussions are ongoing around potential areas of focus. This includes consideration of potential growth opportunities over the next 10 years, private and public sector building activity including affordable and employer-led housing as well as construction capacity and skills requirements.

### Action

**We will work collaboratively with South of Scotland Enterprise and Highlands and Islands Enterprise through the housing sub-groups of the Regional Economic Partnership including consideration of future economic growth opportunities, housing delivery, construction and skills capacity and the broader role of the private sector in supporting and responding to housing requirements.**

## Growth Deals

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City and Region Growth Deals agreements between the Scottish Government, the UK Government and local government are designed to bring about long-term strategic approaches to improving regional economies. They are delivered by regional partnerships led by authorities working with the private sector, education and skills providers, and our enterprise and skills agencies.

Many of these deals include the delivery of housing. The Argyll and Bute Growth Deal, which is progressing towards Full Deal, includes proposals to support affordable housing of the right type and in the right place to support housing for key workers as well as to identify help for rural employers to support employee housing including accommodation for rural contractors where required. These proposals include housing for worker accommodation at Tobermory on the Isle of Mull.

The Knab Redevelopment project in Shetland, supported with investment of up to £9.6 million of Scottish Government funding as part of Scottish Government's £50 million investment in the Islands Growth Deal, aims to go beyond creating a simple housing project with ancillary services, by delivering a mixed-use site that embeds living and ageing well, creative innovation, wellbeing and a dynamic use of public space alongside future fit housing for a flexible approach to work and life.

Through the Moray Growth Deal, a Housing Mix Delivery project will be supported with investment of up to £5 million of Scottish Government funding. The project aims to support and accelerate the delivery of over 300 affordable homes, stimulate the private housebuilding sector to deliver market houses, support town centre regeneration of brownfield sites and the provision of housing in rural towns and villages cross Moray.

Through the Inverness and Highland City Region Deal, the Scottish Government has committed £5 million to deliver high-quality affordable housing in rural locations across the Highlands, helping enable young and economically active people to remain in or move to the Highlands. Similarly, the Innovative Assisted Living project is constructing 32 technology-enabled homes and retrofitting eight more for vulnerable adults and military veterans to enable them to live independently.

## Modern Methods of Construction

The potential for increased use of offsite construction (often referred to as Modern Methods of Construction or MMC) has been viewed as an opportunity for new build housing development for many years. Scotland successfully uses various offsite approaches (predominantly open panel timber frame) in most of its housing construction however this has not yet translated to widespread adoption of more advanced systems.

The Scottish Government has for many years supported offsite construction in housing through investment in projects as part of the Affordable Housing Supply Programme, with approximately 90% of all new homes delivered through the programme currently using some form of Modern Method of Construction. Rural and island stakeholders have expressed interest in further exploring new approaches to housing delivery.

Through the Edinburgh Home Demonstrator project, we are testing real life performance gaps, componentry and design standardisation, and a new business model based on collaborative procurement.

We are seeking to grow the evidence and identify the potential for supporting greater use of offsite construction methods, where this can help to efficiently deliver high-quality and energy-efficient homes.

## Ulva Ferry, Isle of Mull – Argyll & Bute<sup>12</sup>



Mull and Iona Community Trust was awarded £805,340 from the Rural and Islands Housing Fund for this project. Six houses have been built over two phases to meet an acute housing need on the island, and to support the local primary school roll.

Thanks to the innovative modular design, construction on site by The Wee House Company took just 7 months, as part of a four-year project. Each house is made of between 4 and 6 modules, depending on the size of the finished home and 90% of construction was completed under factory conditions in the company's Cumnock facility, meaning site preparations could be completed in tandem.

## Action

We will examine the potential and impact of modern methods of construction in rural and island areas over the next twelve months to establish benefits of such approaches (for example cost, time, quality, environmental and economic).

<sup>12</sup> Photo credit: Mull and Iona Community Trust

## Housing for Key Workers

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Scotland's remote, rural and island areas face challenges when it comes to recruiting and retaining staff. Proposals such as the Scottish Government's Rural Visa Pilot could play a role in helping to facilitate migration to remote rural and island areas as well as supporting employers to better meet their needs.

It is essential to the economic vitality of the region that employers can attract and retain the key workers they require, not only to support service delivery for communities but also to support economic growth and prosperity. Employers, including public sector employers such as Forestry and Land Scotland, Crown Estate Scotland, South of Scotland Enterprise, Highlands and Islands Enterprise and others including Health Boards, have an essential role to play here in considering how they can contribute. This could be through the better use of the resources, properties and land they may own to support the provision of homes for key workers and others, and in so doing, supporting and ensuring their own business security.

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. 'Key workers' can include doctors, nurses, teachers and police officers but also extends to private sector businesses, both permanent and seasonal staff. Competing demand for private sector homes, linked to limited supply can impact on the ability of key workers, particularly those seeking to move to an area, to find appropriate housing.

In recognition of the challenges with recruiting and retaining staff in remote, rural and island communities, particularly although not exclusively in the public, health, and emergency sectors, we are making up to £25 million available from our affordable housing supply programme budget over the period 2023–2028 in the form of the Rural Affordable Homes for Key Workers Fund. The fund will enable local authorities and registered social landlords to purchase existing suitable properties in rural and island areas which can be rented directly or leased to employers to provide affordable homes for key workers. This can include bringing empty properties back into use or acquiring properties on the open market to increase the supply of affordable homes for key workers.

Local authorities are expected to engage with a range of organisations in their localities including public sector employers, key agencies including Highlands and Islands Enterprise and South of Scotland Enterprise, as well as local businesses and registered local landlords to identify requirements and proposals.

### Action

**We will work with local authorities to deliver the Rural Affordable Homes for Key Workers Fund to ensure that there is effective local engagement with local employers and registered social landlords to support the identification of additional homes for key workers.**

## Local Housing Strategies and Local Authority Key Worker Policies

All local authorities are required to prepare a Local Housing Strategy which sets out its strategy, priorities and plans for the delivery of housing and related services. Where evidence suggests that there is a requirement for action to provide suitable housing for key workers, the Local Housing Strategy should include a policy on this. While key workers can be essential public sector employees, the term can also be used more widely to reflect the employment and retention of people vital to the delivery of and improving essential local services. It remains for local authorities to set out their approach.

Scotland Housing Network's Local Housing Strategy Forum supports local authorities responsible for strategic planning to meet housing needs. It covers a wide and varied range of topics related to housing policies and strategies including Local Housing Strategies and Strategic Housing Investment Plans. It provides local authorities with an opportunity to highlight specific issues and has a strong focus on the sharing of good practice.

We recognise the importance of local authorities having good workforce data from a range of different sources to help inform the development of key worker policies and housing priorities.

### Action

**Working with Scotland Housing Network, we will ensure local authorities have appropriate policies in place for remote, rural and island areas to increase the supply of homes available to key workers including identifying appropriate sources of workforce data.**

## Addressing Depopulation Action Plan

The forthcoming Addressing Depopulation Action Plan, due to be published in Autumn 2023, will deliver a strategic plan aimed at providing the policy framework to enable population retention and repopulation.

The early development of the Addressing Depopulation Action Plan has been, in part, informed by the feedback from communities in response to the Islands Bond consultation. This consultation highlighted a number of key barriers to population retention and growth, including housing, and a low-wage economy as well as access to skills training.

In response, we have worked in partnership with the Convention of the Highlands and Islands Population Working Group to deliver an Island Skills and Repopulation Pilot. Three projects are being delivered in Arran & Cumbrae, across the three islands of Bute, Coll & Tiree, and in Uist.

The aim of these projects is to test the impact of a targeted, place-based approach, aligned and responsive to local skills and employment needs. Upon completion, evaluation will help to identify how or whether these approaches may support or refine skills and employment programmes across governments and relevant agencies.

Through supporting career pathways, retraining, and upskilling, we can help to diversify local economies and also look to increase capacity and skills across a variety of sectors, including the construction sector. In doing so, we can further support the delivery of more homes in remote, rural and island communities.

## Isle of Rum, Highland<sup>13</sup>



The Isle of Rum Community Trust took forward an ambitious project to deliver affordable housing as a way of protecting the future of the island school, which previously only had two pupils. With an aim of encouraging new people to move to Rum, the trust looked to attract families and skilled tradespeople and businesses to make the community more viable.

The project, which was supported by the Rural and Islands Housing fund with a grant of £454,300, to build four two-bedroom houses. The homes, which have solar roof panels, high levels of insulation and a wood stove for additional heating, were completed in Autumn 2020.

The Isle of Rum Community Trust worked together with Mowi, who provided the community with four fully serviced plots when building their own staff accommodation and office space. Mowi helped with additional financial contribution to the building of the community homes. Mowi also provided 10 yacht moorings in the bay, which has brought more visitors to the island, and additional revenue to the community. One of the attractions for the new residents to Rum has also been fast broadband, enabling them to move to the island and work from home. Mowi installed the fast broadband connection to the benefit of the entire island, with fibre optic installed in the village.

## Action

In 2023–24 undertake a review of the success and challenges of implementing the Island Skills and Repopulation projects delivered in Argyll & Bute, North Ayrshire, and the Western Isles. Working with partners, we will then explore how the approaches taken may offer opportunities to address skills and capacity issues in construction supply chains.

<sup>13</sup> Photo credit Isle of Rum Community Trust



## Monitoring Delivery of the Action Plan

We will work collaboratively with a wide range of partners to deliver this Action Plan, monitoring and assessing delivery and impact, reflecting on the changing dynamic across Scotland's remote, rural and island communities.

Implementation will be supported by joint-working and partner and community engagement, as well as an annual summit chaired by the Minister for Housing to monitor progress, impact and the changing dynamic across Scotland's rural and island communities.

Progress on the delivery of the Scottish Government's commitment to deliver 110,000 affordable homes by 2032, of which 70% will be for social rent and 10% will be in our remote, rural and island areas will be monitored through the Scottish Government's Housing to 2040 governance process. It will also be monitored through the publication of official statistics showing progress on a quarterly basis as well as within the More Homes Division Affordable Housing Supply Programme Annual Outturn Report.

With regards to the monitoring delivery of the Action Plan, the Minister for Housing said: *"The annual summit will be an opportunity to take stock of progress and hear feedback from those stakeholders who have been a key part of publishing this Action Plan. We recognise that this is a first step, a statement of intent about how we will tackle housing supply in our rural and island communities, and we will hold ourselves to account to deliver meaningful."*



# Summary of Actions and Timeline for Delivery

Our actions are based on short, medium and long-term priorities:

**Short** – 0–9 months

**Medium** – 10–24 months

**Long** – 24+ months

Enabling the Delivery of More High-Quality Affordable Homes	
Action	Timescale
1. We will work with stakeholders to monitor implementation of National Planning Framework 4 national planning policies through its accompanying Delivery Programme and reflect on the progress of new Local Development Plans as they are prepared, particularly how they respond to and align with policies in National Planning Framework 4.	Medium-Long
2. We will engage with Scottish Government agencies and relevant Non-Departmental Public Bodies to identify any surplus land and building assets that may support affordable housing.	Medium
3. We will continue to support the Community Settlement Officers in 2023–24 and will undertake a review of the potential benefits of the approach in building partnerships between public, private and community sectors in identifying land for housing.	Medium
4. Where a local authority identifies specific constraints relating to the availability of suitable land to support the delivery of affordable homes, we will work collaboratively with them as well as landowners and other relevant stakeholders to identify additional land opportunities with the potential to support appropriate delivery.	Short
5. We will introduce land reform legislation to further improve transparency of land ownership, help ensure large scale land holdings deliver in the public interest and empower communities by providing more opportunities to own land and have more say in how land in their area is used.	Short

## Enabling the Delivery of More High-Quality Affordable Homes

Action	Timescale
6. We will build upon community capacity and knowledge of the Asset Transfer process, working collaboratively with communities, relevant authorities, and our partners including the National Asset Transfer Action Group. We will do this by encouraging the sharing of good practices such as named point of contacts at relevant authorities, and promoting transparent processes that place community ambitions at their core.	<b>Short-Medium</b>
7. We will undertake a review of suppliers' current and planned gigabit-capable build, including inviting views from wider stakeholders.	<b>Short</b>
8. We will continue to engage closely with Building Digital UK as progress is made towards the launch of the first Project Gigabit procurements in Scotland, which we expect before the end of 2023.	<b>Short</b>
9. In 2023, we will consult on changes to building standards which would require developers to deploy and optimise digital connectivity in all new housing developments.	<b>Short</b>

## Making Best Use of Existing Homes and Support for Home Ownership

Action	Timescale
1. We will deliver secondary legislation to enable councils to apply up to a 100% premium on council tax rates for second homes from April 2024.	<b>Short</b>
2. We will continue to work with local authorities to monitor the designation of short-term let control areas to understand and share learning about how these have enabled councils in different locations (urban and rural) to better manage the number of short-term lets. A more comprehensive update about the implementation of short-term lets regulation, covering both planning and licensing, for the different types of short-term lets will be carried out in 2025.	<b>Short</b>
3. We will work with the Scottish Empty Homes Partnership, local authorities and owners to bring more empty homes in rural and island areas back into use, promoting available funding options, sharing best practice and identify opportunities for stronger collaboration.	<b>Short-Medium</b>
4. In Summer 2024, we will commission independent research to support a review of affordable home ownership in remote, rural and island areas. We will consider the findings of this research and any recommendations to inform our next steps.	<b>Short-Medium</b>
5. We will support and promote the wider use of rural housing burdens in the delivery of affordable housing. This will include working with lenders to explore their support for the use of rural housing burdens through Scottish Government funded affordable housing projects.	<b>Short</b>
6. We have committed to reform and modernise compulsory purchase legislation in Scotland to make the system fairer, clearer and faster for all parties. As a first step we will appoint an expert advisory panel in 2023-24 to help inform the development of options for reform.	<b>Short</b>
7. In 2024 we will take forward work to consider the justification for and practical operation of Compulsory Sales Orders, particularly in light of our commitment to reforming Compulsory Purchase Orders.	<b>Short-Medium</b>
8. With further investment of £1.9 million in 2023-2024, we will continue to provide financial assistance to those crofters who wish to build or improve their croft house and will prioritise those who are most in need. We will also continue to review the scheme annually to assess its impact and effectiveness and ensure that it continues to provide much-needed support to active crofters.	<b>Short</b>

## Supporting Community-Led Development

Action	Timescale
1. We will strengthen operational links between the Scottish Land Fund and the Rural and Islands Housing Fund to more closely align decision making for communities.	<b>Short</b>
2. We will review the Rural and Islands Housing Fund to allow feasibility funds to be released earlier, where required, to support local housing assessments that can help inform applications to the Scottish Land Fund.	<b>Short-Medium</b>
3. We are providing a package of financial support, co-funded with Nationwide Foundation, of up to £960,000 over the period 2023-24 - 2025-26 to support the staff capacity and expertise across Communities Housing Trust and South of Scotland Community Housing to progress deliverable projects in their pipelines.	<b>Short</b>
4. We will refresh Local Housing Strategy and Strategic Housing Investment Plan guidance in 2024 to include a focus on community-led housing. This will encourage stronger engagement at a local level between local authorities, registered social landlords, rural housing enablers and communities and require projects supported to be brought forward under the Rural and Islands Housing Fund to be identified in Strategic Housing Investment Plans.	<b>Short</b>
5. We will develop guidance to support communities, local authorities and others to undertake local housing assessments based on best practice and robust methodology.	<b>Short</b>

## Housing and Local Economies

Action	Timescale
1. Recognising the important role that housing plays in supporting rural and island economies, we will refresh Local Housing Strategy guidance in 2024 to strengthen links at a local level between housing and the economy.	<b>Short-Medium</b>
2. We will work with local authorities, enterprise agencies and business representatives including private developers to improve understanding of housing requirements arising from key sectors. We will seek to enable more housing provision through sharing of good practice and collaboration between employers and housing providers.	<b>Medium-Long</b>
3. We will work collaboratively with South of Scotland and Highlands and Islands Enterprise through the housing sub-groups of the Regional Economic Partnership including consideration of future economic growth opportunities, housing delivery, construction and skills capacity and the broader role of the private sector in supporting and responding to housing requirements.	<b>Short-Medium</b>
4. We will examine the potential and impact of modern methods of construction in rural and island areas over the next twelve months to establish benefits of such approaches (for example cost, time, quality, environmental and economic).	<b>Short-Medium</b>
5. We will work with local authorities to deliver the Rural Affordable Homes for Key Workers Fund to ensure that there is effective local engagement with local employers and registered social landlords to support the identification of additional homes for key workers.	<b>Medium-Long</b>
6. Working with Scotland Housing Network, we will ensure local authorities have appropriate policies in place for remote, rural and island areas to increase the supply of homes available to key workers including identifying appropriate sources of workforce data.	<b>Short-Medium</b>
7. In 2023-24 undertake a review of the success and challenges of implementing the Island Skills and Repopulation projects delivered in Argyll & Bute, North Ayrshire, and the Western Isles. Working with partners, we will then explore how the approaches taken may offer opportunities to address skills and capacity issues in construction supply chains.	<b>Short</b>

# List of Stakeholders Engaged

Below is a list of the stakeholders that we directly engaged with as part of the development of the Action Plan. We also captured feedback from businesses and other organisations as part of our broader work.

<b>Agencies</b>		
South of Scotland Enterprise	Highlands and Islands Enterprise	Bòrd na Gàidhlig
Scottish Forestry	Scottish Land Commission	NatureScot
Forestry and Land Scotland	Scottish Water	Crofting Commission
Scottish Enterprise	Crown Estate Scotland	
<b>Local Authorities</b>		
Scottish Borders	Dumfries & Galloway	Na h-Eileanan Siar
Orkney Islands	Shetland Islands	Argyll & Bute
Highland	Moray	Aberdeen City
South Ayrshire	North Ayrshire	East Ayrshire
Perth & Kinross	Angus	Midlothian
South Lanarkshire		
<b>Organisations and groups</b>		
Rural and Islands Housing Association Forum	Scottish Federation of Housing Associations	Rural Housing Scotland
Communities Housing Trust	Argyll & Bute Health and Social Care Partnership	South of Scotland Community Housing
Scottish Islands Federation	Scottish Rural Action	Rural Network Scotland
Young Islanders Network	Rural Youth Project	Home Energy Scotland
Scottish Crofting Federation	National Farmers Union Scotland	Community Land Scotland
Loch Lomond & Trossachs National Park Authority	Cairngorms National Park Authority	University of the Highlands and Islands

## Business Representatives

Scottish Council for Development and Industry	Salmon Scotland	MacDonald Cameron Construction Consultants
Tulloch Homes	The Springfield Group	Openreach
Scottish Land and Estates		

## Development Trusts

Development Trust Association Scotland	Colintravie & Glendaruel Development Trust	Uig Development Trust
North West Mull Community Woodland Company	Scourie Community Development Company	Orkney Business Consultants & Shapinsay Development Trust
Finderne Development Trust	Lismore Community Trust	Mull & Iona Community Trust
Westray Development Trust	South West Mull & Iona Development	The Hebridean Trust
Galson Estate Trust / Urras Oighreachd Ghabhsainn	Rannoch Community Trust	East Loch Lomond Community Trust
Strathblane Community Development Trust	Arran Development Trust	Raasay Development Trust
Knoydart Foundation	Tarbert and Skipness Community Trust	NETRALT
Islay Development Initiative	Colonsay Community Development Company	Isle of Gigha Heritage Trust
Coigach Community Development Company	Isle of Canna Community Development Trust	Applecross Community Company
Tiree Community Trust	Isle of Eigg Heritage Trust	Isle of Rum Development
Lochbroom Community Renewables	Urras Sgìre Oighreachd Bharabhais	Assynt Development Trust
Islay Development Trust	Sanday Development Trust	Co-Housing Orkney
Isle of Luing Community Trust	Isle of Kerrera Development Trust	Newton Stewart Initiative
Uist & Barra Housing Group	Bressay Development Trust	

## Housing Associations

West Highland Housing Association	Fyne Homes	Bield Housing Association
Argyll and Bute Housing Association	Hebridean Housing Partnership	Tighean Innse Gall
Trust Housing Association	Dumfries & Galloway Housing Association	Wheatley Group
Loreburn Housing Association	Cunninghame Housing Association	Highland Housing Alliance
Albyn Housing	Lochalsh and Skye Housing Association	Places for People
Cairn Housing Association	Osprey Housing	Grampian Housing Association
Caledonian Housing Association	Kingdom Housing Association	Hillcrest Homes
Castlehill Housing Association	Orkney Housing Association Limited	Eildon Housing Association
Berwickshire Housing Association	Hjaltland Housing Association	Lochaber Housing Association
Scottish Borders Housing Association	East Lothian Housing Association	Rural Stirling Housing Association







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