

South of Scotland Housing Action Plan

JULY 2024



Contents

Foreword	3
Introduction	4
Our Housing Action Plan	5
The Case for Change	7
Housing: Who does What	8
What is Already Happening	9
Our Vision	10
Where We Will Start	11
Our Initial Actions	15
What Happens Next	16



Old Police Station, Langholm
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Foreword



We are delighted to present our Housing Action Plan for the South of Scotland. This is a plan that sets out the actions that we will take together to create more homes and more choice of homes where they are needed in our region.

Housing was identified as a key challenge when we launched the Regional Economic Strategy in 2021¹. It is essential that people, including our working age population, can find the homes they need in our largely rural region – and creating those homes will bring huge opportunities for our regional construction and development sectors.

The urgent need for more homes and more choice of homes has only increased since the Regional Strategy was launched in 2021. We have heard that message in all of our engagement with businesses and communities across the South of Scotland. This is a priority for the South of Scotland Regional Economic Partnership and our leadership and focus on this issue has been widely welcomed by those we have spoken with.

There are ten actions in this plan – they are where we will start and respond to what we have heard in our engagement about where the Regional Economic Partnership can add impact to what is already happening in the region and across Scotland. Our actions include both immediate steps to stimulate interest in and opportunities for development as well as creating the conditions for long-term transformation.

This plan sits alongside a lot of other work underway across the South of Scotland and beyond to address the urgent need for more homes and more diversity in our homes. Our actions are focused on complementing and not duplicating that wider activity.

Our plan is dynamic and we will be proactive in seizing new opportunities and ideas as they emerge to keep the plan relevant and responsive. We will continue to learn as we put this plan into action and we encourage anyone with an interest in this work to get in touch.

Responding to this challenge will require all of us – the public sector, business and communities – to commit to action and even greater collaboration. We look forward to working with you to create the right homes in the right places for our communities and to contribute across our ambition to be a green, fair and flourishing region.

Chair and members of the Strategic Action Group on Housing – part of the South of Scotland Regional Economic Partnership

Introduction

This is our Housing Action Plan for the South of Scotland. It tells you what we – the Regional Economic Partnership – are going to do to help create more homes and more choice of homes where they are needed to meet our economic ambitions for the South of Scotland.

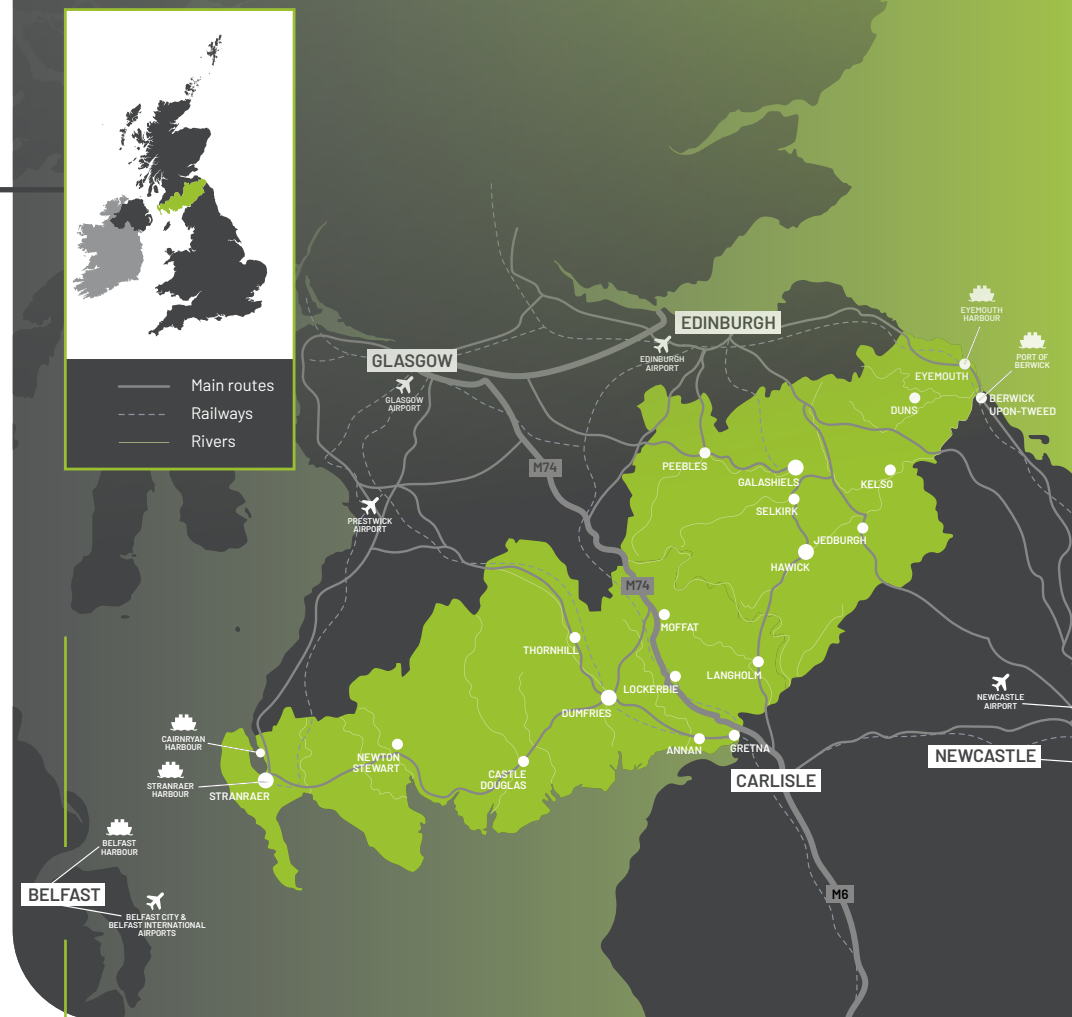
It is an exciting time for the South of Scotland, a region shaped by a collective ambition and led by bold individuals, entrepreneurs, innovators, communities and organisations. With a well-established regional economic partnership, significant investment through the region's two growth deals and a dedicated economic development agency, we are rightly confident about an exciting and inclusive future for the South of Scotland.

We have an ambitious outlook for our homes in the South of Scotland with an expectation that over 9000 new homes may be required across the next ten years². Creating suitable homes – of all types and tenures – is one of the key economic opportunities and challenges for the South of Scotland. Meeting this ambition is a focus for our partnership.

The economic opportunity responding to this challenge presents is significant for our communities, our employers and public services, our prospective investors and our home-grown construction and development sector.

Creating the right homes in the right places for our communities can contribute across our ambition to be a green, fair and flourishing region and will:

- support our economy to grow and thrive
- underpin the exciting investment happening in the region
- attract new people to boost our working age population
- allow our young people who want to stay and work in the South of Scotland to do so rather than moving elsewhere
- enable us to keep delivering vital services such as health and social care.

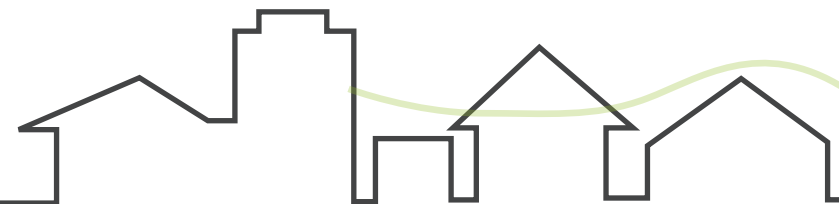


At the heart of the UK, the South of Scotland is perfectly positioned with the Scottish Central Belt to the North, key English cities to the South, and links to Northern Ireland and the Republic of Ireland to the West. We are alive to the South of Scotland's potential and pride ourselves on all the region has to offer – our natural capital assets, skilled workforce, and an innovative approach that supports businesses to thrive in our beautiful location.

Top photo: Heriotfield, Oxtou.

² National Planning Framework 4 sets the Minimum All Tenure Housing Land Requirement for each local authority area. It can be found here: www.gov.scot/publications/national-planning-framework-4/pages/8/

Our Housing Action Plan



Our focus as a partnership is on unlocking more homes where they are needed for our people, including our working age population. It requires bold action and a commitment from all partners to play their part.

Housing is a complex landscape with different responsibilities and roles across multiple organisations and businesses. Our actions are targeted where they can add to existing work, such as Local Housing Strategies and Local Development Plans, and where we can create extra momentum to realise our collective economic ambitions for the region. Our actions are focused on addressing the economic drivers and levers of housing – creating the homes we need to enable economic growth and maximising the economic benefit from investing in new homes.



While our focus is on our economy, we are alive to the wider benefits which will flow from our efforts and are working alongside partners tackling significant housing challenges. Dumfries and Galloway Council and Scottish Borders Council have declared Housing Emergencies, as has the Scottish Government. Increasing the overall supply of affordable homes should help efforts to tackle homelessness in the region and complement the immediate actions flowing from Councils and government in response to the housing emergencies.

We have spoken with over 50 organisations in the South of Scotland and elsewhere. We have heard about what has held back development and the ambition and innovation that is ready to be unleashed.

Our plan has six areas of focus, each rooted in what we have heard:

- Growing our own
- An accessible and enabling planning environment
- Increasing choice for all
- Prioritising our investment
- Putting the South on the map
- Creating the right conditions

Our initial actions

We have developed ten initial actions where the Regional Economic Partnership can add impact to the important work already happening to support housing in the South of Scotland.

Left: Heriotfield, Oxtou.



Over the next two years we will:

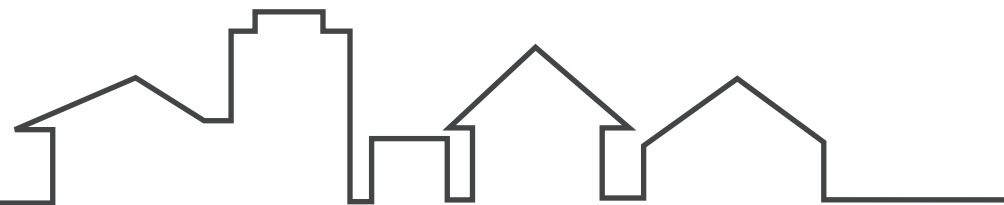
1. Develop and run a targeted marketing campaign to reach those in the construction sector who want to start up, grow or innovate in the South of Scotland – helping us to connect with and directly support more enterprises to do so.
2. Support and shape work to develop proposals to significantly increase construction skills provision in the region, identifying barriers and opportunities and complementing wider regional skills planning.
3. Develop partnership projects bringing together community organisations, our Registered Social Landlords, South of Scotland Community Housing and others to co-develop schemes that create more homes.
4. Scope the feasibility and develop plans to create new student and key worker accommodation, including an emerging project in Dumfries but also looking for opportunities across the region.
5. Develop and launch a promotional prospectus to showcase demand for homes in the South of Scotland, underpinned by evidence of our regional ambition and investment and communicating that we are a region that is up for growth and open for business.
6. Develop a range of content to explain the need for and benefits of new homes to raise awareness and confidence among partners, decision makers and communities.
7. Bringing a South of Scotland lens to shape regional and national planning reform, including seeking to pilot new approaches and supporting work to grow capacity.
8. Explore more innovative and effective ways to share and communicate key data as we develop local housing land pipelines, including as part of work to promote housing development opportunities across the region.
9. Scope innovative funding and financing approaches to unlock more development at all scales, including the upfront barriers to development.
10. Review and scope funding options across the public sector to respond to our regional housing opportunities.



Top: Poynder Apartments, Kelso.

Above: Nursery Avenue, Stranraer.

The Case for Change



We want to seize the economic opportunities that housing can create for the South of Scotland and tackle the things we know are holding us back.



Our Opportunity

£160m+ investment

...into the South of Scotland through the Borderlands Inclusive Growth Deal and Edinburgh and South East Scotland City Region Deal plus strong interest in inward investment.

11,000+ enterprises

...in the South of Scotland creating new jobs and opportunities for our communities and generating high demand for homes for their employees.

10+ thriving RSLs

...with many developing new homes, enabling and sustaining the local construction sector and often ambitious to develop more, including in partnership with South of Scotland Community Housing.



The Big Challenges

60% drop in new homes built for sale

...in 2011-2020 compared with the previous ten years and driven in large part by the loss of smaller housebuilders in the region.

£300,000+ build cost

...for a 2 bed home in rural areas such as the South of Scotland compared to a national average of £200,000.

40% drop in active SME housebuilders

...in Scotland in 2017/18 (465) compared with 2007/08 (782) with a similar trend in the South of Scotland and the impact exacerbated by our distance from other housebuilding markets.



The Potential Impact

Growing our construction sector

...creating jobs and opportunity for our communities and supply chains, upskilling our people and supporting wider regional ambitions e.g. the Net Zero transition.

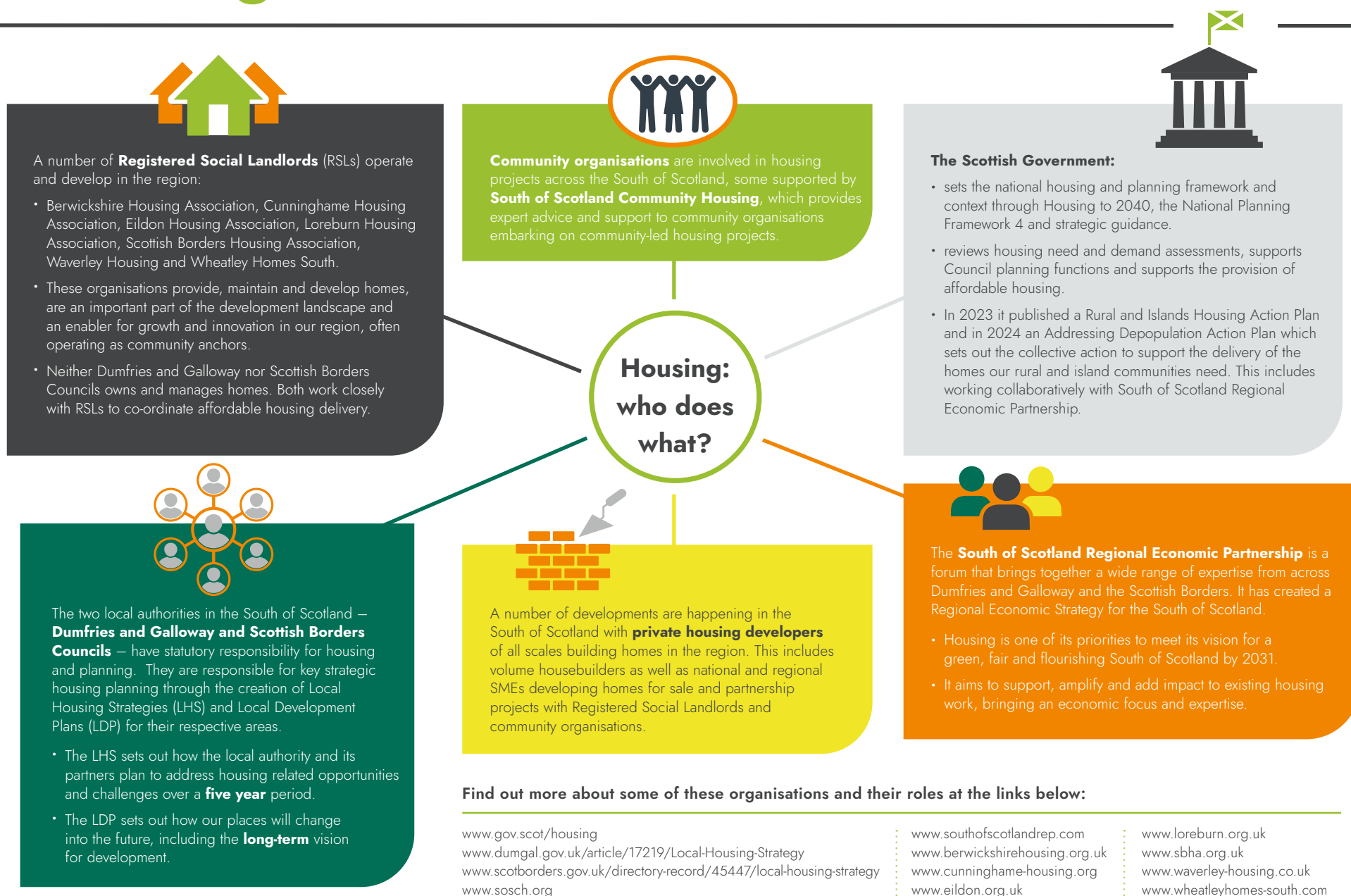
Attracting more people

...to live and work in the South of Scotland, boosting our working age population and allowing our young people who want to stay here to do so rather than move elsewhere.

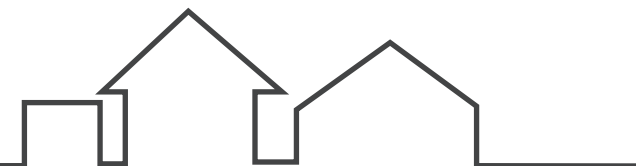
Sustaining our public services

... by providing homes for key workers in the NHS, social care and education as well as those working in key economic sectors for the South of Scotland such as tourism.

Housing: Who does What?



What is Already Happening



Both local authorities in the South of Scotland have Local Housing Strategies and Local Development Plans in place and key partners are working closely to make sure our communities have access to the homes they need. A lot of important work is already underway across the South of Scotland to create more homes where they are needed.



Many of our regional RSLs have a **programme of new housebuilding** at all scales planned and underway across the region to meet our housing needs. This includes refurbishment and repurposing of existing buildings.



South of Scotland Community Housing is working with community groups of all sizes across the South of Scotland to support them to meet their housing ambitions and deliver their own housing developments with a growing pipeline of new housing developments.



A number of **larger housing sites** have been identified in the region and partners are working together to unlock these sites for housing development. This includes places like Lochside in Dumfries and Lowood in Tweedbank.



In Dumfries and Galloway, the Council has put in place a £1 million annual **Town Centre Living Fund** to increase high-quality accommodation as a driver of footfall and to support town centre regeneration. This fund has been resourced from revenue raised from Council Tax on second and long-term unoccupied homes.



Scottish Borders Council has launched an **Empty Homes Grant Scheme** which is currently supporting 20 empty homes to be brought back into use through a grant of £500,000. 13 of these homes will be available for affordable rent for a minimum of five years. The initial grant has unlocked additional private investment for refurbishment, estimated at just over £1.5 million. The Council intends to extend this with further investment in empty homes using revenue raised from second homes Council Tax.



As part of the **Borderlands Place Programme**, nine towns have been identified across the South of Scotland as priority towns, with the ultimate objective of developing Borderlands Town Investment Plans. These towns are Eyemouth, Galashiels, Gretna, Hawick, Jedburgh, Kirkcubbin & Kelloholm, Stranraer, Whithorn and Wigtown. Work is ongoing in all these places to develop a Local Place Plan including the place's housing aspirations.

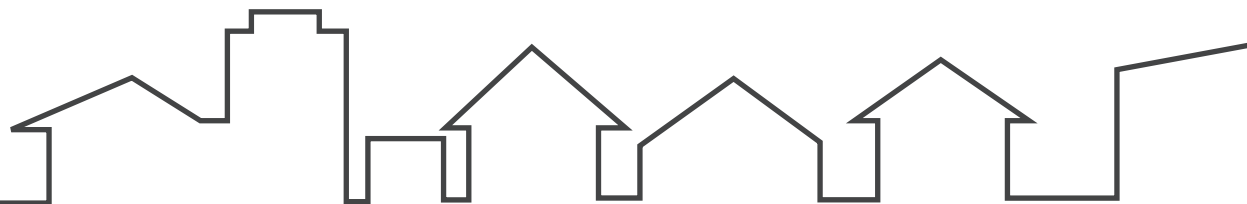


SOSE is working with a number of South of Scotland businesses in construction and related sectors who are seeking to innovate and grow their business and address some of the big housing challenges such as the transition to Net Zero in our homes.

Right: Kirkhope Steading, Ettrickbrige.
© Harry Whitmore



Our Vision



Our vision for housing in the South of Scotland aligns with and supports key local, regional and national visions for housing and the economy.

Our vision for housing in the South of Scotland is one with more homes of all types and tenure, a reputation as a good place to build homes and a thriving development and construction sector. We will have an enabling planning environment, communities empowered to create the homes they need and funding and legislation that supports our opportunity and ambition.

Our vision aligns with the key vision in the South of Scotland Regional Economic Strategy to be 'a green, fair and flourishing region by 2031', as well as with the critical visions in both Councils' Local Housing Strategies:

"Everyone in our region will have access to a high quality affordable home that is warm, safe, provides good access to services and meets their needs at every stage of life."

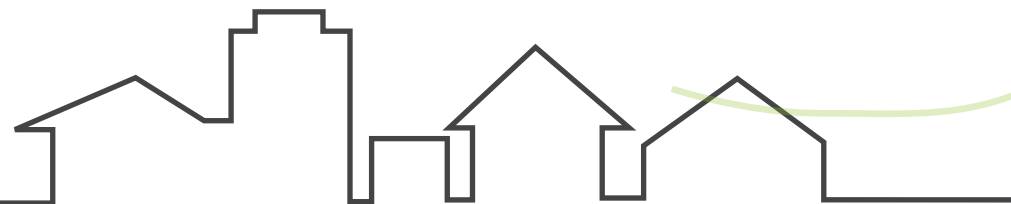
Dumfries and Galloway Council Local Housing Strategy 2018-2023

"Everyone in the Scottish Borders has access to a home that meets their needs and is part of a sustainable community."

Scottish Borders Council Local Housing Strategy 2023-2028



Where We Will Start



Our actions are focused on those areas where we can help create the homes our economy needs in the South of Scotland. Our plan requires bold action and all partners to play their part.

Through our engagement and research we have developed six areas where the REP can add value and impact to what is already happening.

- Growing our own
- Increasing choice for all
- Putting the South on the map
- A flexible and enabling planning system
- Prioritising our investment
- Creating the right conditions

We have developed ten initial actions to support these areas. These are tangible actions in areas where members of the Regional Economic Partnership can add real value to the important work already happening to support housing in the South of Scotland. We will not duplicate but seek to add impact, with a focus on the economic drivers for and economic benefits of more homes.

All actions are targeted where we can have an immediate impact over the next two years. This is where we will start and we will continue to review this plan with actions and focus evolving as we learn more. The actions in this plan are of equal importance and are interlinked. Delivery in one area will complement and reinforce other actions.

Growing our own

We know that there is a desire to grow within our regional construction sector. We want to harness this ambition and scale up the sector to retain wealth and opportunity in the South. The opportunities for these enterprises are significant across all sizes of development. In our large and mostly rural region, a thriving local SME construction sector is key to strong local housebuilding in places where smaller numbers of homes are needed.

We will deepen our knowledge of who is working in the sector in the region and the barriers they face. This will help us support those enterprises who want to grow and aligns with our wider economic ambition to grow our small and micro enterprises across the economy, with SOSE working closely to reach and grow more businesses. Many of our businesses are microbusinesses or SMEs so greater collaboration is needed for them to take on bigger projects and we will work with them to make that happen. We are committed to supporting the skills provision and pathways needed to underpin this. We will start with construction but are not limited to this over the medium term and will seek opportunities to increase skills and capacity across other related areas and professions such as planning.

Our initial actions:

1. We will develop and run a targeted marketing campaign to reach those in the construction sector who want to start up, grow or innovate in the South of Scotland – helping us to connect with and directly support more enterprises to do so.
2. We will support and shape work to develop proposals to significantly increase construction skills provision in the region, identifying barriers and opportunities and complementing wider regional skills planning.

Increasing choice for all

Choice is key to realising our regional ambitions — choice of homes of all sizes and all tenures for our current and future working age population, including building on work underway across the region to develop more choices for key workers and students. We will support those who are innovating and creating more diversity in our homes.

Many of our Registered Social Landlords are building new homes, leading the regional transition to Net Zero in how we heat our homes, and exploring more diversity such as through Mid Market Rent. We will support them to lead this change and recognise the financial challenges they face. We also want to support our community housing trusts and South of Scotland Community Housing who are creating real momentum in our region.

The private rental sector is very important in the South of Scotland, providing homes for an increasingly broad range of people. Like elsewhere, the sector is facing real pressures and we want to support work to stabilise the sector, including supporting those who are innovating in the sector such as Homes for Good who have recently established in the South of Scotland. Alongside our immediate actions, we are committed to helping to shape national and regional work to support innovation and growth across our regional social and private rental sector.

Our initial actions:

3. We will develop pathfinder projects bringing together partnerships between community organisations, our Registered Social Landlords, South of Scotland Community Housing and others to co-develop schemes that create more homes
4. We will scope the feasibility and develop plans to create more accommodation options for students and key workers across the South of Scotland, including an emerging project in Dumfries.

Putting the South on the map

We will work together as the South of Scotland to proactively promote the region as a great place to build homes of all types and tenures. We want to attract and inspire people about the opportunities to build homes in our region and raise awareness of the exciting things happening here that are underpinning the need for more homes.

We will showcase and promote the opportunities to build in the region, address perceptions and misconceptions and communicate that we are a region that is up for growth and open for business. We want to reach our ambitious regional development and construction sector and those who are currently working outwith the region but have the potential to help us create more homes and grow our regional supply chain. We will amplify our messages about housebuilding through all of our wider work to attract people to live, work, visit, learn and invest in the South of Scotland.

We know there is still more we need to do to help our partners and communities understand the need for more homes and the tangible benefits for them from creating more homes where they are needed. We want to come together as partners to share the evidence in a compelling way and empower our partners and communities to prioritise the creation of more homes in planning and investment decisions, place making and community development.

Our initial actions:

5. We will develop and launch a promotional prospectus to showcase demand for homes in the South of Scotland, underpinned by evidence of our ambition and investment and communicating that we are up for growth and open for business.
6. We will develop a range of content to explain the need for and benefits of new homes, helping to raise awareness and confidence among our partners, key decision makers and our communities.

An accessible and enabling planning environment

Planning is fundamental to creating the homes we need in the South of Scotland. We are committed to a shared South of Scotland vision and ambition for our planning system — one that is accessible and flexible, enables development and empowers communities.

A lot of change is underway in planning — from the new National Planning Framework 4 to the need to recruit and retain more planners across the whole of Scotland. There is a significant programme of work happening to develop the profession, improve planning standards and attract more people to work in planning. This is happening both nationally and regionally with our local authorities shaping national improvement programmes and developing their own offer for planners.

We do not want to duplicate the significant work already underway regionally and nationally so our focus here is to work with and shape this wider planning reform, bringing a South of Scotland lens and support to work underway to grow planning capacity. This includes working with key partners such as the Scottish Government and the National Planning Improvement Champion.

Over the medium term we will also explore opportunities to grow our own planners, for example looking at how we could develop planning courses within the region to allow people to train and stay here.

Our initial actions:

- 7. We will work with and shape regional and national planning reform, bringing a South of Scotland lens to this work and seeking opportunities to pilot new approaches in the South of Scotland. This includes supporting work underway regionally and nationally to grow planning capacity for councils.**

Prioritising our investment

The developers, builders and infrastructure providers that we spoke to were clear about the need for and value of a clear regional pipeline of sites for new homes. This would give them confidence to coordinate and prioritise investment in the region — from upgrading infrastructure to growing businesses and investing in training.

The Local Development Plan delivery programme is expected to establish a deliverable housing land pipeline. The purpose of the pipeline is to provide a transparent view of the phasing of housing allocations so that interventions, including infrastructure, that enable delivery can be planned. Phasing is expected across the short (1-3 years), medium (4-6 years) and long-term (7-10 years). For that to happen, we need to come together as a region to coordinate planning and prioritise investment.

We are committed to providing a strong and robust pipeline of the housing sites that will deliver economic transformation for the South of Scotland. A regional pipeline will support both of our Councils to create deliverable housing land pipelines. It will take some time to ensure it is sufficiently robust and deliverable and will require key partners to engage with the process. It will demonstrate the potential scale of development (including aggregating smaller sites) to attract and grow our housebuilding sector and align infrastructure investment with housing delivery. The pipeline will be a key component in work to promote housing development opportunities across the region and build on our other communications such as our regional prospectus (Action 5).

Our initial actions:

- 8. We will explore more innovative and effective ways to bring together, share and communicate key data as we develop our deliverable housing land pipelines.**

Creating the right conditions

There is a growing movement across Scotland and beyond to tackle the urgent need for more homes. We will work with others nationally and elsewhere to influence that momentum and collaboration and to ensure that new approaches work for our region. This will include working with the Scottish and UK Governments to explore how funding and legislation can best work to create more homes and more diversity in our homes.

We want to work with the government to co-create funding that works for our needs, for example by recognising the dispersed and rural geography of many of our settlements which brings additional logistical and financial challenges. Flexibility will help us to unlock more homes even in a challenging financial context and better equip us to respond to our regional needs and opportunities. We will seek to pilot new approaches and share learning with others. We also want to work with key national partners on more innovative financing and funding to address our particular challenges, for example recognising the financial burden and disincentive for SMEs and communities from infrastructure requirements and feasibility studies.

We will engage with national and regional partners on wider issues, from second home ownership to the Local Housing Allowance. Similar work is underway elsewhere in Scotland and the UK, including in the Highlands and Islands. We will stay connected to that wider work, seeking opportunities to collaborate and sharing learning for example with the Highlands and Islands Regional Economic Partnership.

Our initial actions:

9. We will work with partners to scope innovative funding and financing approaches to unlock more development at all scales and address the upfront barriers to development.
10. Review and scope funding options across the public sector to respond to our regional housing opportunities.



Top: Lincluden, Dumfries.

Above: Closeburn, Passivhaus project, Nith Valley.

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Our Initial Actions



No.	Action	Lead partner	Timescale
1	Develop and run a targeted marketing campaign to reach those in the construction sector who want to start up, grow or innovate in the South of Scotland	SOSE	Campaign to start by end of 2024
2	Develop proposals to significantly increase construction skills provision in the region	South of Scotland Education and Skills Strategic Coordination Group (ESSCG) ¹	Proposals reviewed by REP by end of 2024
3	Develop partnership projects bringing together community organisations, our Registered Social Landlords, South of Scotland Community Housing and others to co-develop schemes that create more homes	Registered Social Landlords, South of Scotland Community Housing	Projects to be in development by end of 2025
4	Scope the feasibility and develop plans to create new student and key worker accommodation, including an emerging project in Dumfries but also looking for other opportunities across the region	Councils, Crichton Campus Leadership Group, Crichton Trust	Crichton Campus accommodation in place in academic year 2025/26 Wider scoping by Summer 2026
5	Develop and launch a promotional prospectus to showcase demand for housing, as well as regional investment and ambition	Councils, SOSE	Launched by end of 2024
6	Develop a range of content to explain the need for and benefits of new homes to raise awareness and confidence among partners, decision makers and communities	Councils, Registered Social Landlords, SOSE	Launched by end of 2025
7	Bringing a South of Scotland lens to shape regional and national planning reform, including seeking to pilot new approaches and supporting work to grow capacity	Councils, SOSE	Ongoing
8	Explore more innovative and effective ways to share and communicate key data as we develop local housing land pipelines, including as part of work to promote housing development opportunities across the region	Councils	Stakeholder engagement by Summer 2025. Ongoing rollout of new data sharing
9	Scope innovative funding and financing approaches to unlock more development at all scales, including the upfront barriers to development	Registered Social Landlords, SOSE	Initial scoping by Summer 2025, then ongoing
10	Review and scope funding options across the public sector to respond to our regional housing opportunities	Councils, Registered Social Landlords, Scottish Government	Review complete by Summer 2026

¹: Core membership of the ESSCG includes: Borders College, Crichton Campus Leadership Group, Dumfries and Galloway College, Dumfries and Galloway Council, Developing the Young Workforce Dumfries & Galloway, Developing the Young Workforce Scottish Borders, Heriot Watt University, Open University, Scotland's Rural University College, Scottish Borders Council, Scottish Funding Council, Skills Development Scotland, South of Scotland Enterprise, Third Sector Interface Dumfries and Galloway, Borders Community Action, University of Glasgow, University of the West of Scotland.

What Happens Next

We are committed to action and taking immediate steps to stimulate interest in and opportunities for development as well as creating the conditions for long-term transformation.

Our initial focus has been on deepening our understanding of the issues and identifying practical actions to create more homes in the South of Scotland.

We are now focused on putting these actions into practice. Each action has identified leads who are responsible for coordinating activity. The Regional Economic Partnership will continue to have strategic oversight of this work and receive quarterly updates on progress against the actions. This plan will also be reviewed in full ahead of the end of the initial two years to inform subsequent actions and the focus of future work.

We are committed to delivery and giving this work the focus it requires. The partners involved in developing this plan have prioritised their time and efforts to get us to this point, working creatively and sharing resources. That will continue and we will seek opportunities to further bolster that capacity over the next two years where budgets allow.

We will coordinate and align our work with relevant wider regional actions — for example in the retrofit of homes to meet our Net Zero ambitions, in transport connectivity, and in regional skills planning.

We have sought to speak to a broad range of people and organisations involved in housing, but we know that we will continue to learn as we put this plan into action. Where new opportunities and ideas emerge we will be proactive in taking those forward to keep the plan relevant and responsive. We encourage anyone with an interest in this work to get in touch.

Thank you to everyone who generously shared their time and ideas with us:

Ashliegh, Berwickshire Housing Association, BE-ST, Broatch Construction, Buccleuch, CCG, Connect Modular, Cullen Kilshaw, Eildon Housing Association, FBR Seed, Ferguson Planning, Fleming Homes, GM Thomson & Co, Hirsell Estate, Home Group, Homes for Good, Homes for Scotland, HUSK, Improvement Service — National Planning Champion, Iron & Pine, Langholm Initiative, Lar Housing Trust, LIP Construction, Loreburn Housing Association, McTaggart, M & J Ballantyne, NFU Scotland, Nith Valley Leaf Trust, Pamela Young Trust, Persimmon, Places for People, Roxburghe Estate, Rural Renaissance, Savills, Scottish Association of Landlords, Scottish Federation of Housing Associations, Scottish Futures Trust, Scottish Gas Networks, Scottish Government Chief Planner, Scottish Land and Estates, Scottish National Investment Bank, Scottish Water, South of Scotland Community Housing, SP Energy Networks, Story Homes, Stow Community Trust, Taylor Wimpey, Waverley Housing, Whiteburn, 3B Construction.



Above: Springfield, Duns.



REP

South of Scotland
Regional Economic Partnership

This page: Halcrow, Gretna; Crawford Street, Kelso; Whitefield Crescent, Newtown St Boswells, Curries Yard, Dumfries.

Back cover: Tweed Court, Kelso.



South of Scotland
Regional Economic Partnership

www.southofscotlandrep.com