

T: 0300 244 4000
E: scottish.ministers@gov.scot

Ariane Burgess MSP
Convener
Local Government, Housing and Planning
Committee

By email to: localgov.committee@parliament.scot

19 December 2024

Dear Convener,

Progress with Delivery of the Actions in the Rural and Islands Housing Action Plan.

As the Committee will be aware, the Scottish Government published the [Rural and Islands Housing Action Plan](#) ('the Action Plan') on 13 October 2023 supporting action so that people in rural and island areas have access to the high quality affordable and market housing to enable them to live, work and thrive. In the context of a Housing Emergency, this work remains a key area of focus and is critical to ensuring that we continue to deliver the housing we need across all areas of Scotland.

The summary below set out the progress the Scottish Government has made across the four sections of the Action Plan to date. As an annex to this letter, I have included a summary of the detailed actions included in the plan together with information on progress achieved.

On 23 October, I held the first annual summit which brought together a wide range of stakeholders including local authorities, rural housing enablers, development trusts amongst others to discuss progress with delivery of the commitments in the plan. There continues to be a considerable amount of work underway by these partners to deliver more affordable homes for our rural and island communities and it remains important

Enabling the delivery of more high-quality affordable homes

Delivering more affordable homes

Housing has a key role to play in the quality of life and sustainability of rural and island 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 and addressing the risk of depopulation as access to affordable housing is a key issue in many communities.

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Implementation of the Rural and Island Housing Action Plan remains a priority for the Scottish Government will support the delivery of the 110,000 affordable homes target of which at least 10% will be in rural and island communities. Full analysis of homes delivered in 2023-24 is not yet complete but of the 11,578 homes delivered to end 2022-23 over 2,200 of these homes are in rural and island communities representing 19.6% of all affordable homes delivered over this period.

Our funding support of £30 million over the lifetime of the current parliament remains in place for our demand-led Rural and Islands Housing Fund. The fund is continuing to play an important role in helping community organisations and others to deliver affordable homes, while complementing delivery through our mainstream programme by councils and housing associations in rural and island areas. I was delighted to hear that this month a project at Ettrick Steading, Ettrickbridge which received support from the Rural and Islands Housing Fund and delivered five affordable homes for rent and a business unit with four workshop spaces and three office spaces won the SURF award for housing and regeneration. This is a fine example of what can be achieved through organisational joint working and the drive of communities to deliver more affordable homes to meet local needs.

Land for Housing

The publication of a Planning and the Housing Emergency – Delivery Plan on 12 November includes decisive actions to support housing development. It highlights our commitment to continue to work with planning authorities to ensure that national planning policies are applied consistently across Scotland. We will identify mechanisms to stimulate the build-out of housing sites with planning permission, in line with a plan-led approach. We will work with stakeholders to promote good practice in demonstrating community benefits from new housing developments. And we will establish a further Housing Planning Hub to support housing delivery. Its approach will be informed by evidence and shaped in agreement with key partners from the public and private sectors, including the Convention of Scottish Local Authorities, Heads of Planning Scotland, the Improvement Service and house builders.

The Scottish Government took forward a consultation entitled [Investing in Planning](#) earlier in 2024, which considered further changes to increase the financial resources available to authorities and to make the planning system more efficient. Work continues with partners to progress a range of actions to increase the capacity and improve the performance of planning services and we are exploring the potential to expand permitted development rights to streamline the delivery of homes. Meanwhile, a short life working group has been established to share examples and expertise on good practice for proportionate information to support decision making.

In June, I met with Scottish Land and Estates and its members to hear about projects by landowners to deliver more affordable homes for communities in rural and island areas. I welcome the approach being taken by landowners continuing to bring forward proposals working collaboratively with communities to deliver more affordable homes, and I will continue to engage with them to encourage this to continue.

Land Reform

The Land Reform Bill was introduced in the Scottish Parliament in March 2024 and is currently at Stage 1. The Bill makes changes to the law concerning land management, community engagement and right to buy and transfers of land as well as agricultural holdings and small landholdings.

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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.

Digital Connectivity

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.

This year, we launched two Project Gigabit procurements in the Borders and East Lothian areas and a regional procurement in the North-East with more expected to launch during the remainder of this year.

In September, The Building (Scotland) Amendment Regulations 2024 was laid before the Scottish Parliament. From 1 January 2025 changes to the building standards system will require housing developers to provide a gigabit-capable broadband connection subject to a cost cap of £2,000 per premise. Where the cost cap is exceeded, there will be a requirement to provide the next best technology and the passive infrastructure to support a gigabit-capable connection being retrospectively deployed.

Making Best Use of Existing Homes

Second Homes

Alongside the delivery of new homes for our rural and island communities, it is important that local authorities have the tools available to allow them to make the best use of existing housing. This year, we delivered secondary legislation to enable councils to apply up to a 100% premium on Council Tax rates for second homes. These new powers which came into effect on 1 April enable local authorities to make decisions about the council tax treatment of second homes to determine the balance in the use of housing to meet local needs. I have encouraged Councils to consider the role that second homes have in their communities and to use these additional powers.

Short-Term Lets

In relation to short-term lets, you will be aware that The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Amendment Order 2024 is now in place and that we also published the Short-term Let Licensing Implementation Update Report. This report provides information on initial short-term let licence application levels across Scotland, considers current operational processes and identifies operational improvements, including Scottish Government actions where appropriate. A new short life sub-group to explore short-term let licensing operational improvements is in the process of being convened.

Following a decision by Highland Council, the Badenoch and Strathspey Short-term Let Control Area came into force on 4 March 2024. Ahead of its introduction, Highland Council provided sessions to advise the industry and affected communities of the changes the Control Area brings about and it is also made available a [guidance note](#) providing advice for existing and new operators.

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Empty Homes

The Scottish Government recognises that in our rural and island areas every empty home brought back into use can make a big difference to the sustainability of these communities and we remain committed to working with the Scottish Empty Homes Partnership, local authorities and owners to bring more empty homes back into use. There is good work underway with Tighean Innse Gall (TIG) working collaboratively with the Scottish Empty Homes Partnership and Comhairle Nan Eilean Siar on a project to tackle the issue of empty homes in Outer Hebrides, to purchase and refurbish empty homes that will be made available to members of the community through social rent, mid-market rent, and rent-to-buy. And in Argyll and Bute, a partnership with Argyll & Bute Council and Argyll and Bute Health & Social Care Partnership is progressing that will see empty homes being brought back into use to help provide affordable homes for health and social care workers across the region.

Supporting Community-Led Development

Funding Support for Communities Housing Trust and South of Scotland Community Housing

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. More Homes Division officials continue to work closely with both organisations and a wide range of other community organisations to progress projects through the Rural and Islands Housing Fund.

Stronger Collaboration on Community-Led Housing

We published refreshed Strategic Housing Investment Plan guidance in June 2024 that includes a focus on community-led housing for the first time requiring local authorities include information on projects supported by the local authority and which have been brought forward under the Rural and Islands Housing Fund and how the local authority is actively engaging with communities and housing providers to support the delivery of more affordable homes in rural and island communities. A session is being organised later this year with all local authorities through Scotland Housing Network Local Housing Strategy group to raise awareness of community-led housing and encourage collaboration between local authorities and community organisations and rural housing enablers.

We have commenced work on refreshed Local Housing Strategy guidance for publication in 2025 that will strengthen focus on rural and island housing and community-led housing.

We have also been engaging with lenders, communities Housing Trusts and others to promote and embed practice relating to the use of Rural Housing Burdens, to safeguard affordable housing in perpetuity as well as to retain it for use as a permanent home.

Housing and Economy

Housing sub-groups are in place within Highlands and Island Regional Economic Partnership and South of Scotland Regional Economic Partnership. My officials are continuing to work collaboratively with these groups on the joint response to housing pressures and demand from economic growth, for example through key investment delivery

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in the renewables sector and collaboration on the Green Industrial Strategy, and growth deals. In July, South of Scotland Regional Economic Partnership published a 'South of Scotland Housing Action Plan'. The plan includes ten tangible actions to be carried out over the next two years, with the aim of attracting more people to work and live in the region, allowing young people to stay and growing the local construction sector. It aligns well with the Rural and Islands Housing Action Plan including addressing issues around growing the construction sector, supporting the delivery of more community-led housing and identifying future job growth opportunities.

In September, the Scottish Government published a Planning Protocol that commits key partners to work together to facilitate planning and consenting processes in Green Freeport sites. Programme for Government also commits that we will support early adopters to deliver Masterplan Consent Areas, a new upfront consenting model, to support the delivery of major projects, including national developments and green freeports.

I met with representatives of the renewables sector to discuss the levels and scale of renewables work and on 22 October Scottish and Southern Electricity Networks announced details of its housing strategy which pledges to deliver 1,000 new homes across the north of Scotland.

We are also making available up to £25 million from our affordable homes budget over the next five years on a demand-led basis for the Rural Affordable Homes for Key Workers Fund to enable the purchase of properties, including empty houses, for key workers and others who need affordable housing. To date 17 homes have been approved through the demand-led Rural Affordable Homes for Key Workers Fund. This includes 7 homes in Highland, 7 homes in Orkney, 2 homes in Moray and 1 home in North Ayrshire. My officials are in discussion with local authority partners on a number of other potential projects.

I have also jointly chaired two joint housing and economy Ministerial roundtables with a wide range of stakeholders to encourage joint working, collaboration, and the sharing of best practice. I met with the Strategic Islands Federation earlier this year to discuss the delivery of affordable homes on our Islands and this month I attended the Cross-Party Group on Islands.

Priorities for the year ahead

While the progress we have made in the last year is significant, we recognise that there is much more to do. We will continue to deliver more homes in the right place for our rural and island communities through our affordable housing supply programme including supporting more community-led housing through our Rural and Islands Housing Fund. We will continue to work with the Empty Homes Partnership to bring more empty homes back into use, we will continue to engage with the housing sub-groups of the regional economic partnership. We will support the delivery of more homes for key workers. We will consult on compulsory purchase legislation next year. And we will continue to encourage planning authorities to utilise National Planning Framework 4 flexibility.

Delivery of the actions in the plan will continue to require close collaboration between a wide range of housing sector partners including Scottish Government, local authorities, rural housing enablers, landowners, communities, and Highlands and Islands Enterprise and South of Scotland Enterprise amongst others.

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I hope you find this update helpful.

Yours sincerely,

PAUL MCLENNAN

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St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

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Rural and Island Housing Action Plan – Progress Summary of Actions

Legend

	Complete / on track for completion
	Slower progress than planned
	To start

Summary

1. Enabling the Delivery of More High-Quality Affordable Homes	
Action	Status
1.1	
1.2	
1.3	
1.4	
1.5	
1.6	
1.7	
1.8	
1.9	

2. Making Best Use of Existing Homes and Support for Home Ownership	
Action	Status
2.1	
2.2	
2.3	
2.4	
2.5	
2.6	
2.7	
2.8	

3. Supporting Community-Led Development	
Action	Status
3.1	
3.2	
3.3	
3.4	
3.5	

4. Housing and Local Economies	
Action	Status
4.1	
4.2	
4.3	
4.4	
4.5	
4.6	
4.7	

1. Enabling the Delivery of More High-Quality Affordable Homes		
Length	Action	Progress
1. Medium-Long	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.	The Planning and the Housing Emergency Delivery Plan was published on 12 November. The Housing Planning Hub is a priority action that will support housing developments which have stalled. We will do all we can to ensure the 23 actions set out in the Delivery Plan are progressed at pace over the coming 6 months, focusing on the key objectives of Policy, Delivery, Efficiency and Capacity. We will continue to encourage planning authorities to utilise NPF4 flexibility, particularly in rural and island areas, to deliver for housing.
2. Medium	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.	This is ongoing through the public sector land trawl.
3. Medium	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.	Scottish Government has committed funding for 2024-25 to continue part funding existing community settlement officer roles in partnership with host local authorities. Scottish Government has also launched the Addressing Depopulation Fund, which is funding six local authorities to take forward locally driven pathfinder projects aimed at supporting population attraction and retention. Projects in Dumfries and Galloway and Argyll and Bute, particularly, have a focus on local housing challenges, including second homes and holiday homes, and addressing these to support sustainable populations.

1. Enabling the Delivery of More High-Quality Affordable Homes		
Length	Action	Progress
4. Short	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.	<p>The Minister for Housing joined a roundtable discussion with hosted by Scottish Land and Estates to discuss with its members the role of landowners in rural housing delivery.</p> <p>This action links to the above work of Community Settlement Officers.</p> <p>Argyll & Bute plan to identify land resources to support housing.</p>
5. Short	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.	<p>The Land Reform Bill was introduced in the Scottish Parliament in March 2024 and is currently at Stage 1. It will place legal responsibilities on the owners of the very largest landholdings to set out how they use their land in a land management plan, and engage with local communities on the development of that plan. It will require to be updated around every 5 years. Landowners will also be required to consider reasonable requests from communities to lease land or buildings. Any breaches will be reported to a Land and Communities Commissioner.</p> <p>If passed by the Scottish Parliament, the Bill will prohibit certain sales of over 1000 hectares, until Ministers can consider the impact on the local community. Potentially, this could lead to some landholdings being lotted into smaller parts, if that may help local communities. An example of that would be making more land available for housing, because we know that lack of housing is a key driver of depopulation. The Bill also seeks to empower communities with more opportunities to own land through introducing advance notice of certain sales from large landholdings. This seeks to give communities a better chance to make a right-to-buy application and own land that can benefit their communities.</p>

1. Enabling the Delivery of More High-Quality Affordable Homes		
Length	Action	Progress
6. Short-Medium	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.	<p>The review of the Community Empowerment (Scotland) Act 2015 is currently underway and is due to conclude by January 2025 where a report will be made available.</p> <p>Asset Transfer policy plays a significant part of the review and a report is currently being prepared on its implementation. The review was launched in July 2022, and since then we have asked the Community Ownership Support Service (COSS) to provide a report on the implementation of asset transfer legislation and a further community consultation report that took views from community groups engaging with the legislation. In their report on asset transfer implementation, COSS included comments on some of the challenges faced by Scotland’s rural communities.</p> <p>Scottish Government also held a series of community workshops across Scotland as part of the review, to gain community and partner views on the implementation of asset transfer policy. We have also asked the views of members of the National Asset Transfer Action Group, and to provide input to known challenges highlighted in the three-year evaluation on asset transfer policy conducted by Glasgow Caledonian University in 2020. These include transparency of process, the use of a single point of contact at relevant authorities and calculating social value in the asset transfer context. Members of the Scottish Government Community Empowerment Team were also part of a working group that was led by researchers at Glasgow Caledonian University that looked at community ownership and control of rural land and buildings across all four devolved nations of the UK. This two-year study completed in September 2024 and found that asset transfer legislation in Scotland was an enabling factor for rural communities to take ownership and control of the local assets that mattered to them. The Glasgow Caledonian University final report can be accessed here.</p>

1. Enabling the Delivery of More High-Quality Affordable Homes		
Length	Action	Progress
7. Short	We will undertake a review of suppliers' current and planned gigabit-capable build, including inviting views from wider stakeholders.	<p>SG has carried out an Open Market Review and subsequent Public Review to determine areas that are least likely to be served by future commercial broadband deployment and areas that have sufficient credible supplier interest to allow successful, publicly subsidised procurements. These activities have helped us to design a number of potential procurement areas in Scotland which have been tested with the supplier market.</p> <p>In May 2024 we launched two Project Gigabit procurements in Scotland – a local (Type A) procurement in the Borders and East Lothian areas and a regional procurement (Type B) in the North East. These are the first such procurements to be launched outside of England, with more expected to launch during the remainder of this year. We continue to meet with our Single Points of Contact network to discuss the approach and seek feedback.</p>
8. Short	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.	<p>We continue to work closely with Building Digital UK to shape the approach for Project Gigabit in Scotland.</p> <p>An MoU was signed between both governments prior to the first Project Gigabit procurement launch in Scotland in May 2024. This MoU sets out the roles and responsibilities for each Government.</p>
9. Short	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.	<p>The Scottish Government published our consultation response on 1 May 2024.</p> <p>On 20 September 2024 secondary legislation - The Building (Scotland) Amendment Regulations 2024 - was laid before the Scottish Parliament. From 1 January 2025 changes to the building standards system will require housing developers to provide a gigabit-capable broadband connection subject to a cost cap of £2,000 per premise. Where the cost cap is exceeded, there will be a requirement to provide the next best technology and the</p>

1. Enabling the Delivery of More High-Quality Affordable Homes		
Length	Action	Progress
		passive infrastructure to support a gigabit-capable connection being retrospectively deployed. Supporting technical guidance has been published on the Scottish Government website.

2. Making Best Use of Existing Homes and Support for Home Ownership		
Length	Action	Progress
1. Short	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.	We have fulfilled our commitment to deliver secondary legislation to enable councils to apply up to a 100% premium on Council Tax rates for second homes. These new powers which came into effect on 1 April enable local authorities to make decisions about the council tax treatment of second homes to determine the balance in the use of housing to meet local needs.
2. Short	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.	<p>The Short-Term Lets Licensing Implementation Report was published on 30 August 2024.</p> <p>The new short life sub-group to explore short-term let licensing operational improvements will convene 13 December 2024.</p> <p>Core membership will consist of several licensing authorities that have volunteered to contribute and it is envisaged this group will liaise with other groups as required including the Industry Advisory Group (facilitated by Visit Scotland), SOLAR and the wider Scotland's Housing Network short-term let licensing information sharing forum.</p>
3. Short-Medium	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.	<p>The independent audit found that the Scottish Empty Homes Partnership project is one of the most effective frontline interventions in tackling empty homes.</p> <p>Our investment of £3.7 million to date has brought almost 11,000 privately owned homes back into use as warm, safe and secure housing since 2010. Building on the success of the Partnership approach we will commit a further £2 million to help local authorities unlock barriers, develop a targeted approach and embed empty homes work across their services.</p>

2. Making Best Use of Existing Homes and Support for Home Ownership		
Length	Action	Progress
		On council tax we have taken action so that the empty homes council tax premium no longer acts as a disincentive. From 1 April perspective purchasers will benefit from a grace-period if active renovations or repairs are being undertaken. Councils can also utilise the ring-fenced revenue they derive from council tax on second and empty homes to fund empty homes services and partnership projects.
4. Short-Medium	In Summer 2024, we will commission independent research to support a review of affordable home ownership in rural and island areas. We will consider the findings of this research and any recommendations to inform our next steps.	This work was paused to allow for the Affordable Housing Supply Programme Review and to prioritise work related to the housing emergency. We will review timescales.
5. Short	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.	Activity to support rural housing burdens has been actively progressed in the delivery space while discussions with lenders have also been taken forward. Rural housing burdens were discussed at the UK Finance Scotland Committee meeting on 31 October 2024, which includes representatives from lenders across the country. Since then, we have engaged directly with lenders to explore specific barriers to the wider use and support of rural housing burdens. Rural Housing Burdens will also be discussed as part of the Housing Investment Taskforce, which will report in March 2025.

2. Making Best Use of Existing Homes and Support for Home Ownership		
Length	Action	Progress
6. Short	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.	We established a Practitioner Advisory Group in March 2024 to help support the reform process. Since then, we have been working with the group and engaging with a range of stakeholders to inform the development of a package of reform proposals, which we will be consulting on in 2025. Substantive reforms would need to be taken forward through a Compulsory Purchase Bill.
7. Short-Medium	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.	We are taking forward resourcing of this commitment and working closely with the CPO Reform team to establish ways of working between reform work, and the potential operation of CSO powers. We are working with the Scottish Empty Homes Partnership, along with local authorities and empty homes officers, to explore the practicalities of a potential compulsory sales process for long term empty homes.
8. Short	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.	<p>In March 2023, the SG increased the croft house grant rate from 40% to 60% of costs, up to a maximum of £38k, for home improvements.</p> <p>In July 2023, the SG introduced energy efficiency measures to the Croft House Grant, allowing crofters to apply for 80% grants of up to £38k to improve the energy performance of their property, and contribute towards energy cost savings.</p> <p>Since January 2007, the Scottish Government has approved Croft House Grant payments of over £25.7 million helping to build and improve over 1,150 croft homes. Approximately half of which are in island communities.</p>

2. Making Best Use of Existing Homes and Support for Home Ownership		
Length	Action	Progress
		<p>Since January 2023, we have approved Croft House Grant payments of over £1.53 million, helping 53 crofters, 36 of whom are island crofters. This support has helped build 22 new houses and 31 house improvements, in our rural and island areas.</p> <p>The Croft House Grant budget for 2025/26 is £2.1 million (the budget was increased in 2024/25 £2.1 million).</p>

3. Supporting Community-Led Development		
Length	Action	Progress
1. Short	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.	<p>There is ongoing close joint working with Scottish Land Fund and Rural and Island Housing Fund colleagues, particularly so as these two funds are currently available until March 2026 and the Rural and Islands Housing Fund aim to maximise approvals for additional housing within the funding still available.</p> <p>We will continue to consider opportunities for greater alignment.</p>
2. Short-Medium	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.	<p>Given that the Rural and Islands Fund is currently available until March 2026, as is the case for the Scottish Land Fund, the scope for projects to come forward for feasibility stage to an on-site status or completion within the remaining funding period, time is constrained as to any additional feasibility funding to be awarded.</p> <p>We want to maximise approvals within the current funding envelope and timescales. Officials are working closely with projects which are already well progressed and are obtaining the necessary statutory consents and being tendered, for example in Orkney we expect a several main fund applications, and projects in Argyll and Bute and Comhairle Eilean nan Siar being submitted in the period to March 2025 for approval and delivery by March 2026.</p>
3. Short	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.	<p>First tranches of grant funding have been drawn down by Communities Housing Trust and South of Scotland Community Housing.</p> <p>Grant offer letters for 2024/25 have been issued.</p> <p>We continue to work with and encourage CHT and SOSCH to bring forward the projects in their pipeline.</p>

3. Supporting Community-Led Development		
Length	Action	Progress
4. Short	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.	Refreshed SHIP guidance was published in June 2024 that includes a focus on community-led housing requiring local authorities include information on projects supported by the local authority and which have been brought forward under the Rural and Islands Housing Fund and how the local authority is actively engaging with communities and housing providers to support the delivery of more affordable homes in rural and island communities. Work on LHS guidance update has commenced and we will continue to progress this.
5. Short	We will develop guidance to support communities, local authorities and others to undertake local housing assessments based on best practice and robust methodology.	Work to be commenced.

4. Housing and Local Economies		
Length	Action	Progress
1. Short-Medium	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.	Work on LHS guidance update has commenced and we will continue to progress this.
2. Medium-Long	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.	<p>Two joint housing and economy Ministerial roundtables have been held in Pitlochry to discuss good practice and collaboration between sectors. We will continue to bring together key housing and economy partners to encourage joint working, collaboration, and the sharing of best practice.</p> <p>Collaborative work across Scottish Government to support the development of the Green Industrial Strategy including links to Housing.</p> <p>Joint working with SSEN on the development of its Housing Strategy, working with local authorities in terms of local implementation.</p>
3. Short-Medium	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.	<p>South of Scotland Regional Economic Partnership published its Housing Action Plan in July 2024. The Action Plan includes ten tangible actions to be carried out over the next two years, with the aim of attracting more people to work and live here, allowing young people to stay and growing the local construction sector.</p> <p>The Highlands and Islands REP housing sub-group is chaired by HIE CEO actions and priorities are currently being agreed. There is a specific workstream underway looking at future economic opportunities that HIE expects to be completed this year.</p>

4. Housing and Local Economies		
Length	Action	Progress
4. Short-Medium	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).	<p>Recent commercial assurance work focussing on the MMC housebuilding sector in Scotland indicated capacity for growth in existing MMC companies in Scotland, with the ability to supply products country-wide. The cost of transportation was not seen to be a barrier to competitiveness. However, pipeline certainty and road infrastructure remain relevant for modular/volumetric units.</p> <p>The majority of housing construction in Scotland (c.85%), and especially through the AHSP, is already delivered using MMC. Because of this, any savings that could be achieved through increased use of MMC would likely require significant investment in an advanced volumetric facility. However the production volume required in Scotland may not be sufficient to make this option viable, especially if focussed on a particular geographic area.</p> <p>In terms of quality and environmental benefits, there is limited evidence to show that using more advanced MMC results in better build quality. Studies have indicated that using closed and open panel timber systems can produce homes with high thermal performance, and homes, regardless of construction type, are capable of reaching Passivhaus standard, and must meet current building standards.</p> <p>Time savings that may be achieved through greater use of MMC would be a matter of weeks and not significant on overall development timescales.</p> <p>Standardisation is another area with potential across building types and is already being considered by Ministers through other projects.</p> <p>The findings of the commercial assurance work do not indicate the need for market intervention at a national level. HIE may decide to take a different approach locally in terms of economic development and opportunity.</p>

4. Housing and Local Economies		
Length	Action	Progress
5. Medium-Long	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.	To date, 17 affordable homes have been approved under the demand-led Rural Affordable Homes for Key Workers Fund – 7 in Highland, 7 Orkney, 2 in Moray and 1 in North Ayrshire. Scottish Government area teams are working closely with local authorities to encourage utilisation of the fund. We are keen to see collaborative working between local authorities, communities, businesses and others to develop proposals. The Fund will run until March 2028.
6. Short-Medium	Working with Scotland Housing Network, we will ensure local authorities have appropriate policies in place for rural and island areas to increase the supply of homes available to key workers including identifying appropriate sources of workforce data.	We are continuing to engage with local authorities through Scotland Housing Network Local Housing Strategy Group to discuss key worker using and utilisation of the key worker fund. This work will continue.
7. Short	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.	Following the delivery of the Island Skills and Repopulation Pilot, the Scottish Government liaised with partners to scope options to commission an analysis of the three pilot areas in Argyll and Bute, Arran and Cumbrae, and Uist. Regular reporting was also provided through the Population Working Group of the Convention of the Highlands and Islands. The latter working group now sits under the oversight of the Highlands and Islands Regional Economic Partnership, but the Scottish Government continues to engage with and contribute to the group's work in line with the commitments set out in the Addressing Depopulation Action Plan. Due to financial pressures, work around the Island Skills and Repopulation Pilot has been paused. However, through the development of a new National Islands Plan – currently underway – we are working with partners to identify and address gaps in skills development and delivery across island areas.