

Outcomes 2024/25

Enabling economic growth through Key Worker Housing in the South of Scotland

Background

Across Scotland, a shortage of affordable and available housing is becoming a significant barrier to recruitment for employers looking to attract new workers to their area or to retain workers. This crisis is particularly acute in rural and regional areas, where attracting and retaining key workers, such as teachers, healthcare professionals, and farming staff is becoming increasingly difficult. Without a stable pipeline of housing options for workers, vital public services and economic growth are being placed at risk.

The challenge

In the South of Scotland, local authorities and partners were facing growing concerns from employers who reported that housing shortages were directly impacting their ability to recruit and retain essential staff. The question became clear: *Where is key worker housing most needed, and which industries are most affected?*

PRIMARY OUTCOME

1

A clear picture of Scotland's future infrastructure needs



CORPORATE PRIORITIES



The partnership

To address this issue, the **Scottish Futures Trust (SFT)** collaborated with:

- **Scottish Borders Council**
- **Dumfries & Galloway Council**
- **South of Scotland Enterprise**
- **South of Scotland Community Housing (SOSCH)**

Together, this partnership commissioned and supported a research paper delivered by SOSCH which shows the true scale of housing need for key workers across the South of Scotland.



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The research

Published in **May 2025**, the report presents a data-driven, region-specific view of key worker housing needs. Key findings include:

- **77% of employers** reported that a lack of suitable housing is negatively affecting their ability to attract and retain staff
- The housing need spans **all tenures, sizes, and types**, indicating that a one-size-fits-all solution will not be sufficient
- The report highlighted critical sectors such as **health and social care, education, policing, farming and forestry**

The impact

This report is more than just a snapshot of the current housing landscape. It's a **strategic tool**, as it enables policymakers and planners to:

- Identify **priority areas** for new housing development for workers
- Develop **strategic actions and projects** that will help to deliver key worker housing across the region
- Align housing provision with **economic development goals**
- Strengthen the **long-term resilience** of key public services

By targeting housing where it's most needed, the South of Scotland is now better positioned to support its workforce, bolster community wellbeing, and accelerate **regional economic growth**. The process of bringing partners together to inform the research has also generated immediate collaboration opportunities for individuals to address key worker housing needs.

James Little, Strategic Housing and Regeneration Team Leader at Dumfries & Galloway Council, said: *"The strategic impact of providing key worker homes in a rural region like ours is significant. We want families to be able to put down roots in their communities, close to their places of work to help grow our economy, and this is absolutely reliant on providing affordable housing options."*

"The Scottish Futures Trust has been pivotal in producing the key worker housing report, and we very much welcome their guidance and support throughout the process."



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Looking ahead

Isabel Conway, Strategy manager at South of Scotland Enterprise, said: "Key worker homes are essential to our region. This research is a first for the South of Scotland and SFT has been instrumental in making it happen. The recommendations are helping partners across the South of Scotland to take proactive and evidence-based actions to address this issue."

"A positive partnership approach has been critical to the success of the research, and we thank SFT for helping to make it happen and for their ongoing collaboration to identify deliverable solutions."

Mike Staples, Chief Executive of South of Scotland Community Housing (SOSCH), said: "Undertaking this research has been valuable for SOSCH, making a compelling case for the demand for key worker housing and clarifying the role of community-led housing in meeting it."

"Communities are concerned about key worker staffing levels and how they are affecting local services and the economy. The research shows that housing supply is a major factor in this."

With the insights gained and the recommendations made from this research, the South of Scotland can take meaningful, data-led steps towards addressing its housing challenges. Furthermore, off the back of this research, and informed by its findings and recommendations, the Regional Economic Partnership's Strategic Action Group on Housing is developing a Key Worker Homes Action Plan. This case study demonstrates how strategic partnerships can use evidence-based planning to start to tackle systemic issues and unlock growth.