

A Just Transition for Dumfries and Galloway



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Cover image: Tree Planting at Glaister Bridge Community Site, near Corsock by D&G Woodland

Introduction

This is the third in our series of written briefings arising from the people-and place-based approach we have adopted over the past year. The previous two short reports within this series focused on Grangemouth and Shetland, and in May findings from Aberdeen will be published. Previously we published a number of pieces of advice on a sectoral basis, aligned with the Scottish Government's just transition planning for four critical economic sectors: energy, land use and agriculture, transport, and the built environment and construction.

The move to a place-based approach has enhanced the Commission's understanding of the way particular communities are experiencing the transition, and of the interrelation between factors that a sectoral lens might analyse in isolation. The Commission has a remit to engage with those most likely to be impacted by the transition, and these short briefings record a valuable snapshot of how people and organisations in a specific locality are reflecting on and analysing the transition and its impact at a particular moment.

Energy has been a very prominent theme in the Commission's work so far, but a key strength of the Scottish approach to just transition policymaking is that it takes account of the social and economic aspects of the climate transition across the whole economy. While the nature of the expansion of renewable energy in the region is highly significant, in this report we focus on another "big ticket" item for Scotland's emissions reductions, namely the expansion of woodland areas that we know is urgently required if we are to meet our climate objectives, and on the broader question of land use.

Putting the right levers in place in terms of policy, investment and regulation of land use will be critical in determining the extent to which the climate transition can be achieved fairly. This is true right across Scotland, and especially for Dumfries and Galloway.

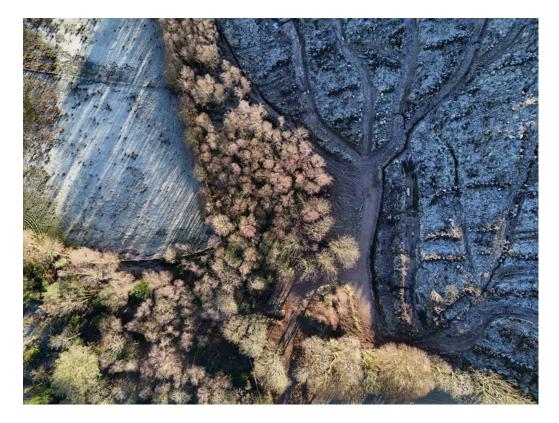
This briefing has been supported by research carried out by Scott McGibbon of Pvotal with support from Built Environment – Smarter Transformation, and this work is included as an extended data profile, with a key focus on the intersection at the regional level between the housing crisis and the climate transition. We hope this report is helpful to policymakers, communities and all stakeholders as we work towards a just transition for Dumfries and Galloway.

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Professor Dave Reay Co-Chair Just Transition Commission

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Satwat Rehman, Co-Chair Just Transition Commission



Aerial image of Bennel Wood, Woodland Laboratory

The challenge

The transition to a low carbon economy is happening alongside a set of challenging demographic trends experienced by rural areas of Scotland such as Dumfries and Galloway. A pattern of declining rural populations, as young people seek economic opportunities in towns and cities, runs in tension with an expansion of economic activity in rural areas that is already well underway as new infrastructure is rolled out and enhancements are made to the way our land is used and the fabric of our built environment. Policy, regulation and investment decisions will determine the extent to which local communities benefit from newer forms of economic activity occurring in their area. A marker of just transition may be a renewal of rural communities and progress in reversing the trend of declining rural settlement and the concentration of services and opportunities in urban areas.

Related to these demographic shifts, Scotland is currently experiencing a national housing crisis. The Commission has looked in detail at skills and retrofitting but its programme of engagement in Dumfries and Galloway provided an opportunity to look at housing in a broader sense, as a potential blocker, enabler and measure of progress towards a just transition.

The woodland resource in the South of Scotland is extensive at over 30% cover of the area, with significant forest nursery activity undertaken in the region as part of national tree planting targets. The forestry sector is growing and increasing its demand for forest floor jobs, as well as diversifying and requiring more varied skills. As with other critical sectors, it has an ageing workforce and is experiencing challenges in attracting and retaining young people. As woodland areas expand, how should the fairness or otherwise of these changes be assessed? Tree Planting at Glaister Bridge Community Site, near Corsock

Key messages

1. Communities should have a stake and say as Scotland ramps up treeplanting to ensure genuine custodianship of land

The Climate Change Committee projects 39%[a] of the trees the UK needs to plant between now and 2050 will be in Scotland. A large proportion of this planting is projected to be in Dumfries and Galloway. A purely market-led approach is highly unlikely to succeed in achieving this rapid rate of expansion in a fair way that addresses climate and nature targets, particularly given our highly concentrated pattern of land ownership. To achieve an equitable sharing of costs and benefits and safeguard social cohesion to support delivery, a new mode of community involvement in woodland and forestry management is needed that embeds a community wealth building approach. This could include the introduction of community woodland grants supplements to increase support for community woodland creation and community woodland management. Further mechanisms include community held stakes in forestry developments, evidence of community wealth building via the Forestry Grant Scheme and Woodland Carbon Code, as well as robust accountability mechanisms to ensure transparent reporting and oversight of factors such as environmental impact, biodiversity, public access, and the creation of sustainable local jobs through active management practices.

2. Communities do not currently have the capacity or resource to keep pace with developments

Action is required to enhance the capacity and resource of communities to play an active role in shaping changes associated with the climate and nature transition for their locality, such as energy projects and tree planting. There is a consistent asymmetry in capacity between developers and communities which requires to be addressed strategically. A new model for the funding of community development trusts and community-led anchor organisations would be a big step forward. An objective of regional just transition plans, aligned with Regional Land Use Partnerships, should be to identify where communities require support in order to take part in decision-making, share knowledge and benefit from local developments, and how this support should be delivered.

3. Partnership working is key for cohesion

Strong relationships between stakeholder groups, including relevant public bodies, need to be sustained, especially where different groups (such as foresters and farmers, for example) are known to hold differing perspectives on common issues, as the basis for social dialogue to foster mutual understanding. Regional Land Use Partnerships clearly have a key role to play in identifying and supporting local priority actions that contribute to national plans and targets, provided they have appropriate capacity and long-term support to operate.

4. A just transition means tackling the housing crisis

The lack of adequate housing for people in Dumfries and Galloway, as in many other parts of Scotland, will slow progress in reducing emissions and risks stymying the positive potential impact of the economic opportunities brought by the transition in terms of investment, skills and labour required to reconfigure our land use and install and maintain new infrastructure.

Insights and findings

This section distils the principal discussion points during the Commission's visit to Dumfries and Galloway. For a full list of participants, see <u>page 27</u>.

Housing

<u>Investment</u>

- The creation of more homes is a key priority for economic development in the region as well as positive health and wellbeing outcomes. A lack of housing across all tenures is holding back economic activity and investment due to insufficient housing for the workforce the region requires in critical transition areas such as onshore wind and construction.
- South of Scotland Regional Economic Partnership published a <u>Housing Action</u> <u>Plan</u> in July 2024, with 10 initial actions attributed to specific organisations as leads and clear timescales. The action plan is geared towards realising "the ambition to be a green, fair and flourishing region".
- The existing funding model is consistently identified as a primary blocker to sufficient progress. A key strategic opportunity could be to open up socially and environmentally sustainable housing development to pension fund investment by developing suitable investment vehicles. Annualised funding cycles are felt to be strategically limiting and ill-suited to addressing long-term structural challenges.
- Historically, employers have played a role in investing in housing provision, for example the Forestry Commission during the post-war period. A strategic approach to the transition could develop an equitable model for industry to contribute towards the necessary infrastructure to support commercial activities.
- A key strategic contribution would be to co-ordinate the response to the housing crisis in the region so as to aggregate the scale of work and materials demanded and unlock local supply chain opportunities, with hardwood and hemp insulation identified as a significant local economic development opportunity linking two principal strategic objectives of the decarbonisation agenda, across land use and the built environment.

<u>Skills</u>

- The training and upskilling of the workforce required to deliver low carbon homes remains a central strategic challenge, particularly for rural areas where housing associations and other large construction clients report difficulties in bringing in contractors from elsewhere.
- Quote: "Getting that retrofit workforce in place is going to be key."
- Colleges require increased funding in order to provide the requisite training, reskilling and redeployment to deliver the workers who will retrofit and build warm, affordable, low-carbon homes at the necessary pace and scale. Local colleges report large waiting lists, and a lack of spaces for apprenticeships.
- Quote: "We are struggling to cope with demand and turning people away. We need to expand the capacity available for training."
- There is a shortfall in other critical roles including quantitative surveyors and planners.

<u>Innovation</u>

- Despite the Scottish Government declaring a climate crisis in 2019, some five years on a more effective policy and procurement environment is still required if innovations in built environment technology and materials, demonstrated through multiple small-scale initiatives and pilots, are to scale up to unlock their economic, social and climate up-side. In addition, either the speedier deployment, or more ambitious setting of Scottish building standards, would avoid homes built today needing to be retrofitted in the future. Current building standards do not effectively regulate embodied carbon, resulting in missed opportunities to incentivise the latest green innovations designed to decarbonise and lock-in long term value through the provision of warm and efficient homes and expansion of local sustainable supply chains utilising Dumfries and Galloway's natural resources.43% of homes in Dumfries and Galloway are off the gas grid, creating scope to trial new solutions and approaches to domestic decarbonisation.
- The expansion of community led housing development could include the reuse of vacant and derelict buildings, with success in this area a potential cross-cutting "win" across multiple key areas of Scottish Government policy, including land reform, planning, economic growth and decarbonisation. The <u>Scottish Government's Rural and Islands Housing</u> <u>Action Plan</u>, published in 2023, identifies the critical role of community led housing development.
- Local authorities expressed the view that greater flexibility of funding and regulation is needed so that solutions that may work better in some regions than others (such as small heat networks) are not automatically "off the table" due to a rigid one-size-fits-all approach required by central government.

- Strengthening processes for the inclusion of tenant voices in decisionmaking within the housing system will be important for effective, responsive and resilient delivery of social, economic and climate goals.
- The current rate of low carbon housing development for the region, as for the country, is well below what is needed in terms of the pace and scale that would be required to meet Net Zero targets and meet local needs for affordable housing. An innovative approach is therefore required.

Land use

- Currently there is no requirement for meaningful community involvement and participation in the process of woodland creation and this presents an obvious opportunity for systemic enhancement to support a more just transition.
- Unlike renewable energy projects, no standard expectation set by government exists on community benefit from commercial forestry, either voluntary or mandated. The Scottish Land Commission has published guidance for delivering community benefit responsibly.
- Dumfries and Galloway may carry the conifer weight of the UK, but a more just and resilient transition here will be achieved if policy, regulation and investment supports land use that is multi-functional and diverse, with effective community participation in decision-making, ownership, and oversight.
- Over-planting of mono-cultures (e.g. Sitka) risks establishing a pattern of land use that, while commercially profitable for developers, has significant down-sides in terms of its impact on biodiversity and nature, community access and participation.
- There is a risk to social cohesion and sustainable economic development if forestry businesses are perceived as purely extractive from the region.
- Quote: "There's a danger that Dumfries and Galloway comes to be seen as a producer of basic commodities only – timber, milk, beef – when what is needed is a strategy to ensure maximum value is added to these commodities locally."
- Regulations should require those developing woodland commercially to produce a plan setting out how their operations will contribute positively to local communities and sustainable economic development in the region. This should include the approach to active management work to bring local jobs, creation and maintenance of high quality access and footpaths, collaboration with social enterprises, contribution to local infrastructure needs, and commitment to transparency in reporting and monitoring to support public oversight and ensure sustainable practices.

- Public subsidies to the sector should be used to embed a custodianship approach that develops sustainable practices and delivers clear and measurable up-side to local communities.
- Quote: "As people living here we are made to feel: you are expensive. You are in the way of the planting. You should move to a town or city. This is how a lot of the policies feel like they are heading."
- Responsible bodies such as Scottish Forestry and Forestry and Land Scotland have key roles to play in proactively supporting the development of a model of woodland creation in partnership with regional stakeholders so that the forestry dimension required for our climate targets is achieved through a just transition.
- Meeting climate targets must reach beyond tree planting to include woodland regeneration as a significant contribution, most of which will happen outside of Dumfries and Galloway thus sharing the forestry burden across Scotland.
- Cultural assumptions around distinct roles can be a limiting factor in fostering effective dialogue and practice.
- Quote: "It won't happen until people see themselves as land managers, not just farmers or foresters. Folk need to look at how they can get an income from a variety of land uses."
- There have been challenges around the national park designation in the area, with some residents, crofters and land managers reporting an unsatisfactory process in which they did not feel able to influence implementation.
- Quote: "There's a feeling that this is an area to which things are done rather than one with a big say in shaping decisions. People in Galloway need to shape what this national park means."
- Lessons learned from the national park process will need to be carefully analysed and applied to enhance the process around other significant changes underway in land use in the region, including suitable local representation within relevant governance structures. The national park itself may provide an opportunity to foster effective dialogue on major land use changes.
- Dumfries and Galloway has significant, but as yet underdeveloped, advantages for land use natural capital solutions to climate change and nature loss. The long-established biosphere offers a strong basis for natural capital solutions including sustainable fisheries, locally grown, speciesdiverse timber, innovative nature friendly farming, landscape scale restoration and earth observation.

Connectivity and depopulation

- Poor quality transport links for the region, particularly rail, are constraining the region in making the most of the economic opportunities associated with the climate transition and encourage young people to leave in order to seek employment opportunities elsewhere, worsening the risk of depopulation.
- Higher quality internet provision for the region will be critical, particularly in more rural areas. In 2022 Third Sector Dumfries and Galloway published a <u>report</u> analysing the extent and distribution of digital exclusion for the region.
- Depopulation is identified by the <u>South of Scotland Regional Economic</u> <u>Strategy 2021-31</u> as a fundamental strategic challenge.
- The risk of depopulation at a time when the transition to a low carbon economy calls for large numbers of workers is a key issue, and shows compounding effects as low demand leads to the closure of services, which in turn risks making the region less attractive for residents and deter potential arrivals.
- The Commission saw Carsphairn Primary School, which has educated local children since 1723, but is currently "mothballed" due to low enrolment. Mothballing refers to the temporary decision to close a school. Just transition policymaking should consider strategic actions to support the long-term sustainability of core services in rural communities.



The mothballed Carsphairn Primary School

Communities and partnerships

- Community organisations frequently report struggling to represent community interests effectively to shape positive outcomes.
- Quote: "Nobody can keep up with the sheer volume of activity."
- There is a significant over-reliance on volunteers, giving rise to high levels of frustration and highlighting the need for a stronger institutional framework to support communities in negotiating a fair deal for local people.
- Additional resourcing for the existing networks of development trusts would add significant strategic value, and a high return on investment for government in terms of increased capacity and knowledge exchange. Currently there is too much reliance on local communities without long term funding and capacity support to act as watchdog, monitor and stakeholder(s) and this is not sustainable.
- Given the cross-cutting nature of the challenges and opportunities presented by the low carbon transition, there is a premium on initiatives that foster effective partnership working. Regional Land Use Partnerships (RLUPs) could be a key mechanism for underpinning just transition success if lessons can be learned from their implementation so far, including ensuring that the perspectives of those with the least ability to participate and who are most likely to be impacted by negative changes are appropriately represented, and a more sustainable approach is taken to their long-term resourcing.
- The nature of the transition means public sector reform will be necessary to ensure powers and competencies are appropriately allocated so as to mitigate risks to economic and social cohesion and ensure communities have a real stake and say.

Data profile: housing in focus

The following is an overview of key data points for analysing the intersection between the housing crisis and the climate transition in Dumfries and Galloway. It has been prepared with research by Scott McGibbon of Pvotal with support from Built Environment – Smarter Transformation (BE-ST).

Introduction

Dumfries and Galloway, a predominantly rural region in southwest Scotland, faces complex socio-economic and environmental challenges that intersect with housing quality, economic conditions, and climate change. This profile provides an analysis of key data trends relevant to the region, emphasising housing stock quality, economic disparities, and climate change risks. Understanding these dynamics is essential for developing policies that align with Scotland's Just Transition objectives, ensuring that potentially vulnerable communities are not left behind.

Local population and community

- Dumfries and Galloway has a population of approximately 145,670[1] with a projected decline to 144,575 by 2028[2] due to natural change factors (higher deaths than births). The working-age population (16-64 years) constitutes around 58% of the total population, slightly lower than the national average of 64%[3]. The dependency ratio, which measures the proportion of dependents to the working-age population, is rising, indicating future economic and social service pressures.
- There are approximately 70,696 households in the region, with an average household size of 2.2 persons{1}. The vacancy rate in the housing stock is estimated between 4% and 6%, with higher rates in more rural and isolated areas, where depopulation trends contribute to housing underuse[4]. Large areas of Dumfries and Galloway are sparsely populated, with many small settlements of fewer than 500 residents, exacerbating service delivery challenges.
- The Scottish Index of Multiple Deprivation (SIMD) shows stark regional disparities. Approximately 9.5% of the region's data zones are within the 20% most deprived in Scotland[5]. The most deprived areas are concentrated in parts of Dumfries, Stranraer, and Annan, where low incomes, higher unemployment, and poor housing conditions are prevalent. Conversely, some rural areas face different socio-economic challenges, such as isolation and limited access to services.

Demographic and economic context

- The population of Dumfries and Galloway is projected to decline by 2.8% between 2021 and 2028, contrasting with the national trend of modest growth[2]. The region's economic activity is dominated by agriculture, forestry, and tourism, though real estate, healthcare, and manufacturing contribute significantly to regional Gross Value Added (GVA). Despite these sectors, economic productivity remains lower than the Scottish average, with GVA per job in 2021 at £53,490, 2.3% below the national benchmark[6].
- Poverty and inequality are prevalent concerns. An estimated 26.9% of children in the region live in relative poverty, with overall household incomes trailing national averages[7]. Fuel poverty is particularly acute, affecting 29% of households, exacerbated by aging housing stock and off-grid heating reliance[8]. Economic inactivity is also higher than the national average, with significant proportions of the population either long-term sick or retired.

Housing as enabler for economic growth

- The Scottish Government's Green Industrial Strategy[9] emphasises the critical role of housing in driving economic growth and facilitating the transition to a net-zero economy. The strategy identifies housing as a key component of enabling infrastructure, essential for attracting and retaining a skilled workforce necessary for green industries. It highlights that investment in sustainable housing not only addresses environmental objectives but also stimulates economic activity through job creation in construction and related sectors. Moreover, energy-efficient housing reduces operational costs for residents, increasing disposable income and contributing to local economies. The strategy underscores the importance of integrating housing development with broader economic planning to ensure cohesive and sustainable growth.
- The Dumfries and Galloway Housing Need and Demand Assessment (HNDA) underscores the necessity of aligning housing strategies with regional economic growth initiatives. The assessment argues against a static household growth model, which assumes zero growth in the local housing market and economy. Instead, it advocates for a proactive approach where housing development is utilised as a catalyst for economic expansion. This perspective is in line with the region's Growth Deal investment framework[10], aiming to attract businesses and a skilled workforce by providing adequate and affordable housing options.
- The Strategic Housing Investment Plan (SHIP) for Dumfries and Galloway outlines key priorities for affordable housing development, supported by the Scottish Government's £3 billion Affordable Housing Investment Programme over five years[11]. This investment is designed to boost the supply of affordable homes, thereby supporting economic growth by ensuring that housing availability meets the needs of both existing residents and potential newcomers attracted by employment opportunities in emerging green industries.

Housing stock and condition

- Dumfries and Galloway has a total of 70,696 dwellings, with 61.7% owner-occupied, 18.1% social rented, and 20.2% private rented[4]. A significant proportion of the housing stock is aging, with older homes often having poor energy efficiency ratings, requiring substantial retrofitting to meet modern standards. According to the Scottish House Condition Survey (SHCS) 2022, 35% of homes show evidence of urgent disrepair, higher than the national average 28%, and 12% of social rented stock fails to meet the Scottish Housing Quality Standard (SHQS)[5].
- In terms of energy efficiency, the Local Heat and Energy Efficiency Strategy indicates that only 29% of dwellings in the region are rated EPC C or higher[12]. Reliable current data on fuel poverty statistics in the region is difficult to establish although the Scottish Housing Condition Survey estimates 28%[13] of households experienced fuel poverty in 2018, a drop from 42%[14] in 2015 and above national averages in both cases. Fuel poverty is exacerbated by a reliance on expensive heating sources such as oil and electric heating due to limited gas grid coverage. Approximately 43% of homes are off the gas grid, making alternative heating solutions a priority for the region[12].
- Many of the vacant homes in the region require significant investment to become habitable, yet high renovation costs and limited infrastructure investment remain barriers. Meanwhile, social housing supply remains constrained, with demand consistently outstripping availability.

Rental costs in the private sector have continued to rise with 2010-2024 monthly rent increasing for one-bedroom (21%), two-bedroom (16%), three-bedroom (20.7%), and four bedroom (55.5%) homes[13]. The average rent for a two-bedroom home in 2024 was £505 (3.7% increase on 2023) and the average rent for a three-bedroom home was £603 (7.7% increase on 2023)[15]. Rural areas tend to have lower rental costs than urban centres such as Dumfries and Stranraer.

Housing demand

- The Dumfries and Galloway Housing Need and Demand Assessment highlights that while population decline is forecasted, household formation continues, resulting in an increasing number of smaller households requiring suitable accommodation. There is a growing need for housing suited to older residents, including accessible and supported accommodation, as well as an ongoing demand for affordable housing for low-income families and young professionals.
- Despite these needs, the region has experienced low levels of new housing development. The supply of new homes remains constrained by limited land availability, infrastructure challenges, and construction costs. In 2023, only 223 new build housing completions were recorded in the region, significantly below projected needs[16]. At the same time, rent increases are exacerbating affordability issues, particularly for younger and lower-income households.
- Social housing providers, including Loreburn Housing Association, Cunningham Housing Association, and Wheatley Homes South, play a critical role in meeting demand for affordable homes, yet waiting lists for social housing remain long. Many prospective tenants experience lengthy delays in accessing appropriate accommodation. Furthermore, a significant proportion of existing social housing stock requires refurbishment and retrofitting to improve energy efficiency and meet modern living standards.
- A key challenge for housing policy in Dumfries and Galloway is ensuring that housing supply aligns with projected demand. This requires a combination of new development, investment in existing housing stock, and policies that incentivise the efficient use of vacant properties. Addressing these challenges will be crucial in ensuring that housing provision supports the region's social and economic resilience.

Housing quality and health and social outcomes

- Housing quality is a significant determinant of health and social well-being in the region. Poor housing conditions, such as dampness, inadequate insulation, and overcrowding, are linked to adverse health outcomes, including respiratory illnesses, cardiovascular diseases, and mental health issues. Addressing these deficiencies through targeted retrofitting programs and improved social housing initiatives is essential for enhancing public health and reducing social inequalities in the region.
- Quantifying the exact health costs associated with poor housing in Dumfries and Galloway is challenging due to limited localised data. However, the broader evidence suggests that insecure and substandard housing contributes to undesirable health outcomes, as highlighted by Shelter Scotland, which emphasises the link between health inequalities and dampness and mould in poor-quality housing[17]. The Fraser of Allander Institute report that lower-income households are more likely to experience damp and mould and less likely to be able to keep their homes warm in the winter[18].

• Collaborative efforts between housing providers and health services are crucial for developing housing solutions that promote health and well-being. The "Housing with Care and Support Strategy", developed by the Dumfries and Galloway Health and Social Care Partnership, emphasises the importance of offering a greater choice of high-quality housing with integrated care and support, enabling residents to lead active, safe, healthy, and independent lives[19].

Retrofit of existing buildings

- Whilst the construction of new homes is important for the region, retrofitting existing housing stock in Dumfries and Galloway is essential for reducing energy consumption, improving living conditions, and addressing fuel poverty. Over 70% of homes in the region have an EPC rating of D or lower, with inefficient heating systems and poor insulation contributing to high energy bills[12]. Retrofitting measures such as double glazing, loft insulation, and low-carbon heating systems can reduce household energy consumption and contribute to lower regional carbon emissions.
- Despite these benefits, retrofitting presents considerable financial and logistical challenges. The cost of fully retrofitting a home is highly dependent on a range of factors, including building type, property size, property age, location, and condition. Estimates are also influenced by the performance standard being sought by the retrofit intervention. A recent programme delivered by Loreburn Housing Association found that the cost of deep retrofitting homes to AECB and EESSH2 standards ranged between £83,000 and £174,000[20].
- The shortage of trained retrofit professionals in the region further complicates large-scale implementation, necessitating skills development programs. Many property owners, particularly in the private rental sector, struggle to access sufficient funding to undertake improvements, despite available government support such as the Home Energy Efficiency Programme for Scotland[21] area-based schemes and the Warmer Homes Scotland[22] programme.
- Retrofitting also poses structural difficulties, as many traditional stone-built homes in the region require bespoke solutions to accommodate modern energy efficiency standards without compromising their integrity. In addition, planning restrictions for listed buildings and conservation areas add further complexity.

Climate change projections and risks

- Dumfries and Galloway is highly vulnerable to climate change, with projections indicating rising temperatures, increased precipitation, and a greater frequency of extreme weather events. Based on UK Climate Projections (UKCP18), under the worst-case emission scenario (RCP8.5), the region could experience regular summer heatwaves exceeding 30°C by 2100, posing risks to housing and public health .
- Localised flooding has emerged as a critical issue, particularly in low-lying and coastal settlements such as Newton Stewart and the Whitesands area of Dumfries. Heavy rainfall events have increased in frequency, overwhelming drainage systems and exacerbating river and surface water flooding. The Dumfries and Galloway Strategic Flood Risk Analysis indicates several communities in the region are classified as high flood risk zones, with flood damages projected to rise without substantial investment in resilience measures[23]. This has direct implications for housing, with repeated flood events leading to structural damage, rising insurance costs, and a decline in property values in affected areas. Proactive flood mitigation strategies, including improved drainage infrastructure, natural flood management, and property-level adaptations, will be required to protect vulnerable communities.

Labour markets and skills challenges

- Dumfries and Galloway College plays a vital role in bridging skills gaps by providing industry-aligned training in areas such as construction, renewable energy, and digital skills. The Net Zero Skills Centre at the college is a key asset for the region, equipping the workforce with expertise in sustainable construction and retrofitting technologies, supporting both housing and climate transition goals.
- Additionally, the University of the West of Scotland, in partnership with the University of Glasgow and other institutions at the Crichton Campus, provides higher education opportunities that align with regional economic priorities.



Loreburn Housing Association passivhaus built homes in Forsyth Street

Visit overview - day one

Loreburn Housing Association

The Commission met with representatives and tenants from Loreburn Housing Association to learn about and discuss their PassivHaus retrofit projects. The Commission heard from Kirsteen McGinn, Chief Executive of Loreburn Housing Association, about the impacts Passivhaus can have on health and wellbeing, fuel poverty and an overview of the development costs.

Following on from this, the Commission visited their Passivhaus development at Forsyth Street in Dumfries and spoke with tenants about their experience.

Housing roundtable

The Commission held a roundtable discussion at the Crichton, Dumfries, bringing together representatives from the housing sector in Dumfries and Galloway, and the wider Scottish border. Participants discussed areas primed for innovation, which could deliver more equitable outcomes for Dumfries, training and the workforce and how the lack of lack of all housing tenures is holding back investment.

Attendees included representatives from Dumfries and Galloway Council, Dumfries and Galloway College, the Crichton Trust, ECO Group, LIP Construction Ltd, Loreburn Housing Association, Eildon Housing Association, South of Scotland Enterprise, Centre for Future Infrastructure, Scottish Border Housing Association.



The Commission hear from a tenant from Loreburn Housing

Visit to Carsphairn

The Commission travelled to Carsphairn to get an understanding of the forestry activity going on the region. They met with:

- Morag Paterson, Forest Policy Group
- Jayne Ashley, South of Scotland Enterprise
- Helen Keron, Glenkens Community and Arts Trust
- Fiona Smith, Glenkens and District Trust
- McNabb Laurie, Dumfries and Galloway Woodlands

Attendees discussed community engagement, land rights and responsibilities, and community benefits.

The Commission also seen Carsphairn primary school which has been mothballed for the 2024/25 school term due to unsustainable pupil numbers.



The Commission visit to Carsphairn

Visit overview - day two

Roundtable on agriculture and land use

The Commission held a roundtable discussion at the Crichton and brought together representatives from the forestry and agriculture sector in the region. Participants considered workforce, timber production, planning and consents, alongside local resilience, food systems and consumption.

Attendees included representatives from the National Farmers Union Scotland, Local sustainable food group, Agricultural Coop, Agri Tourism Monitor Farmer, Quality Meat Scotland monitor farmer, Galloway and Southern Ayrshire UNESCO Biosphere, Scottish Land and Estates, Community Forestry, South of Scotland Forestry, Dumfries and Galloway Woodlands, Confor, South of Scotland Forestry, Scottish Land and Estates, South of Scotland Enterprise, Carsphairn Community Woodland, Egger UK Ltd, Scottish Forestry, Gresham House, Galloway and Southern Ayrshire Biosphere, Bagbie farm, Scottish Woodlands, Dumfries and Galloway Council.

Roundtable on equalities

This roundtable gave Commissioners an opportunity to talk to local stakeholders, particularly around tackling poverty and reducing inequality in the region. The Commission heard from Alan Webb, Chief Executive Officer of Third Sector Dumfries and Galloway, who spoke about inequity in the region, the work they are doing and local initiatives. They were also joined by representatives from Southern Uplands Partnership, Solway Firth Partnership, Dumfries and Galloway Council and South of Scotland Enterprise.



Loreburn Housing, Annan

Case study

Galloway Food Hub

The Galloway Food Hub is an online marketplace where local communities can buy good local produce. Their aim is to enhance the local food system and improve access to fresh food through local supply chains. This project also seeks to increase community resilience, improve small producers' livelihoods and decrease climate impact.

The Hub started in May 2022 after a local food scoping study identified a need to connect local communities to local good food producers who lacked a consistent route to market. The Hub began with 6 producers and around 20 households, but it has now grown to over 33 producers reaching over 100 households each 'order cycle' and serving an area of 60 miles.

The Hub is supported by a mixture of staff and volunteers, which provide opportunities for valuable and meaningful connections throughout the community, raising community identity and spirit.

The Hub provides many benefits to producers and consumers alike:

- Local, small food businesses gain increased sales, financial security, knowledge and skills by being a part of the network. It also provides support to consumers by taking on the administrative burden of payments, packing, distributing, managing volunteers, communicating with customers and marketing.
- Producers are connected to a support network where knowledge can be shared and they can find help to boost business, which can provide them with more resilient livelihoods.
- Consumers are educated on the benefits of agroecologically produced food. This is achieved through social media, local PR, in person events and via food collaborations with community groups.
- Low Income families can receive free or discounted food through their Fair Food for All scheme, helping to make local food more affordable for all.
- Helps to address the problems with rural food chains, which face unique challenges, and helps to reduce the distance between producers and customers.

Abi Mordin (Co-founder and Director of the Food Hub and Producer at Hidden Veg) said "it's been wonderful to see the Galloway Food Hub go from strength to strength. What started as a seed of an idea between a small group of local producers has blossomed into a much valued route to market for many. As a producer, it helps to take the pressure off marketing and logistics. There's loads of knowledge and resource sharing between producers, it's very cooperative".

The Commission has previously noted that whilst a national-level effort is key in setting a clear sense of direction, it is at the local and regional scale that this transition will be defined. It is through initiatives such as the Hub that value can be added locally and can be felt by producers and consumers alike, achieving multiple economic, environmental and social benefits.



Galloway Food Hub volunteers with local produce

Galloway Food Hub box, bread, cheese, honey and sprouts

Ales a

S

Organic. Local. Slightly Salted Butter

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Forests, windfarms, and recently felled areas

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