# COSLA

# WORKING TOWARDS ACHIEVING A MORE BALANCED POPULATION IN SCOTLAND
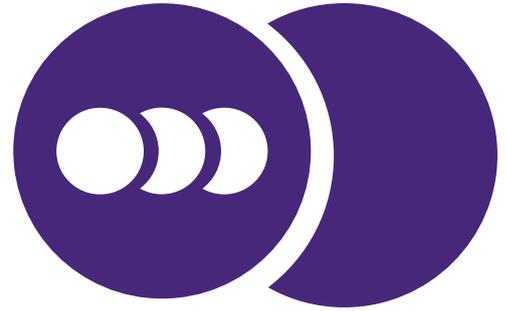
# FOREWORD

This report is intended to be one of a series of white papers, which support the priorities set out in the 2026 COSLA Manifesto. The purpose of these white papers will be to provide a deep dive into complex current and emerging challenges that need attention, with proposed policy solutions.

The aim of achieving a more balanced population is a priority for Scottish Local Government and COSLA, and it is imperative that this remains a priority for the new Scottish Government administration following the 2026 election. This white paper has been based on detailed feedback from local authorities, including through the COSLA/Scottish Government Population Roundtable which involves policy leads and senior council officers from across Scotland. It was developed with support from the Improvement Service and in consultation with SOLACE, the Scottish Local Authorities' Economic Development (SLAED) Group, the Scottish Collaboration of Transport Specialists (SCOTS), and the Association of Local Authority Chief Housing Officers (ALACHO).

We also wish to acknowledge the independent Migration and Population Advisory Group, whose research we have drawn on in this white paper.

# INTRODUCTION
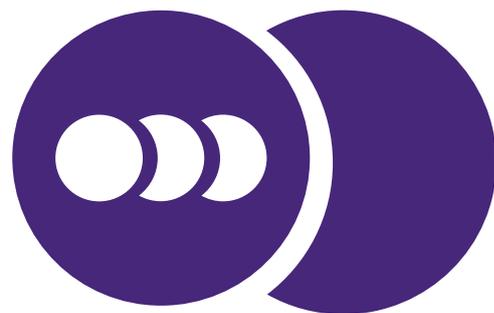
**Scotland's population is changing – population growth is projected to slow nationally, and all local authority areas are experiencing ageing within their populations – with profound implications for economic productivity and public service viability. Population challenges across Scotland are nuanced and experiences differ across the country. This is affecting local authorities that are experiencing significant population growth and those facing critical depopulation, as well as many that are facing both challenges within their council areas.**

There are growing concerns in Local Government that the long-standing issue of tackling population challenges is becoming an increasingly critical issue. Local authorities are keenly aware of the social and economic impacts on areas in vital need of repopulation and areas that are dealing with rapid population growth. However, for many local authorities, it is more nuanced than that, and they can experience population reductions and increases concurrently and differentially across their council area.

The role of local authorities is crucial to achieving a more balanced population and a place-based approach is essential to effectively addressing these challenges and providing the services that are needed by communities. Local authorities are best placed to take a holistic view of the challenges and assess what policy solutions can and cannot work at local level. However, this work must also be undertaken in collaboration with both Scottish Government and UK Government, and will require their support and resources, to enable councils to deliver the change that is required.

This is why the Population Roundtable was established in November 2020, to ensure that a Local Government voice was included during the development of the Scottish Government Population Strategy 'A Scotland for the future: opportunities and challenges of Scotland's changing population'. The Roundtable is jointly chaired by COSLA and Scottish Government and membership consists of senior officers from local authorities. In March 2021, further to the publication of the Population Strategy, council Leaders agreed that the Population Roundtable should continue to meet to ensure both Scottish Government and Local Government remain committed to taking the population programme work forward collaboratively. The Roundtable was consulted with during the development of the Scottish Government Action Plan to Address Depopulation (ADAP). The ADAP was published in February 2024 and consists of 83 actions, and several local authorities are trialling locally driven measures through the Addressing Depopulation Fund.

The aim of achieving a more balanced population continues to be a strategic priority for COSLA and local authorities, and was agreed by COSLA Community Wellbeing Board in February 2025. It is imperative that the population programme remains a priority for the new Scottish Government administration following the 2026 election.

Population sits under the '**Local democracy and community empowerment**' priority area in the COSLA 2026 manifesto. It states that:

Public services work best when they are accountable, place-based and when decisions are taken with and as close to communities as possible. Scottish Government should work with us to avoid centralisation and ensure no community is left behind by embedding local, participative decision-making. Resources must be devolved to communities to address inequality, improve public health and address challenges presented by demographic and population change.

As part of this work, members of the Population Roundtable requested that we work towards a set of clear, unified and well-informed Local Government 'asks' relating to achieving better population balance. Given the scale and complexity of the population landscape, roundtable members agreed that we should focus on 3 key priority areas in the first instance. These are:

1. Economy, jobs and workforce

2. Housing

3. Transport

There was broad agreement by roundtable members that there is a crucial nexus around these policy areas.

This paper will focus on some of the economic, housing and transport challenges faced by those councils experiencing rapid population increases, those in need of critical repopulation, and those facing both challenges concurrently. It will explore potential policy solutions that would contribute towards improving population balance and preventing the extremes of these population challenges.

## Definition of 'population balance'

The term 'population balance' can be used in a variety of contexts, e.g. the age-dependency ratio of the population or the spatial spread of the population. This paper will focus on the geographical spread of population.

This paper recognises population work cannot be captured by binary categories of "growth" or "decline" and must be understood as a dynamic and place-sensitive concept. Population balance is about enabling all parts of Scotland to adapt and thrive in the face of demographic change. This includes addressing and supporting the social and economic challenges of areas experiencing population decline or rapid population growth. The term 'Population balance' is relative rather than absolute – it is about moderating extreme or rapid change.

# ECONOMY, JOBS & WORKFORCE

## TACKLING THE BIGGEST CHALLENGES

Scotland's changing population has a major impact on jobs and the economy. Conversely, the economy has an impact on changing populations at local, regional and national levels. With both a shrinking and ageing working age population, skills and labour shortages are becoming an increasing concern, and this is likely to become more pronounced in the future. While these changes will be felt across the country, we are already seeing a number of particular experiences at a local level. Rural councils are acutely aware of the rapid decline in their populations and the impacts on their workforce and are considering how to use their local economies to help combat these trends. Some urban councils, predominantly on the east coast, are also managing the challenges of an ageing workforce but are balancing population growth and its economic benefits with the pressures this creates on services, housing and infrastructure.

This cannot be framed as a unform rural/urban divide though. For example, some urban areas, particularly on the west coast, are dealing with different dynamics, including population decline,

out migration, poverty and health inequalities. Furthermore, many councils do not sit at either end of the spectrum but are experiencing the challenges of both population reduction and population increase in their area. It is also worth noting that national, regional and even local authority-level data 'smooth out' the pronounced localised peaks and troughs in localised demographic trends. Such trends are masked because higher-level data takes in areas that benefit from relative balance and lower need. It is a potential concern that such areas may be left out of future interventions in favour of geographically more widespread population imbalances.

New challenges are also emerging, and at pace, in relation to changing technology such as Artificial Intelligence (AI) which is having an impact on the economy, jobs and workforce and will continue to have influences in this area in ways which are yet to be seen.

Some of the key challenges local authorities face in relation to the economy and population balance include:

## Scotland's working age population is shrinking and ageing, and there is increasing disparity across Scotland

Scotland's population is changing. Population growth is projected to slow nationally, and all council areas are experiencing ageing within their populations. Experiences differ across the country. Some councils, predominantly rural areas and parts of the west are facing significant population decline, whilst others, especially in the east-central belt, are experiencing rapid growth, with infrastructure struggling to maintain pace with the increasing population. Some councils are experiencing a mix of both decline and growth across their area.
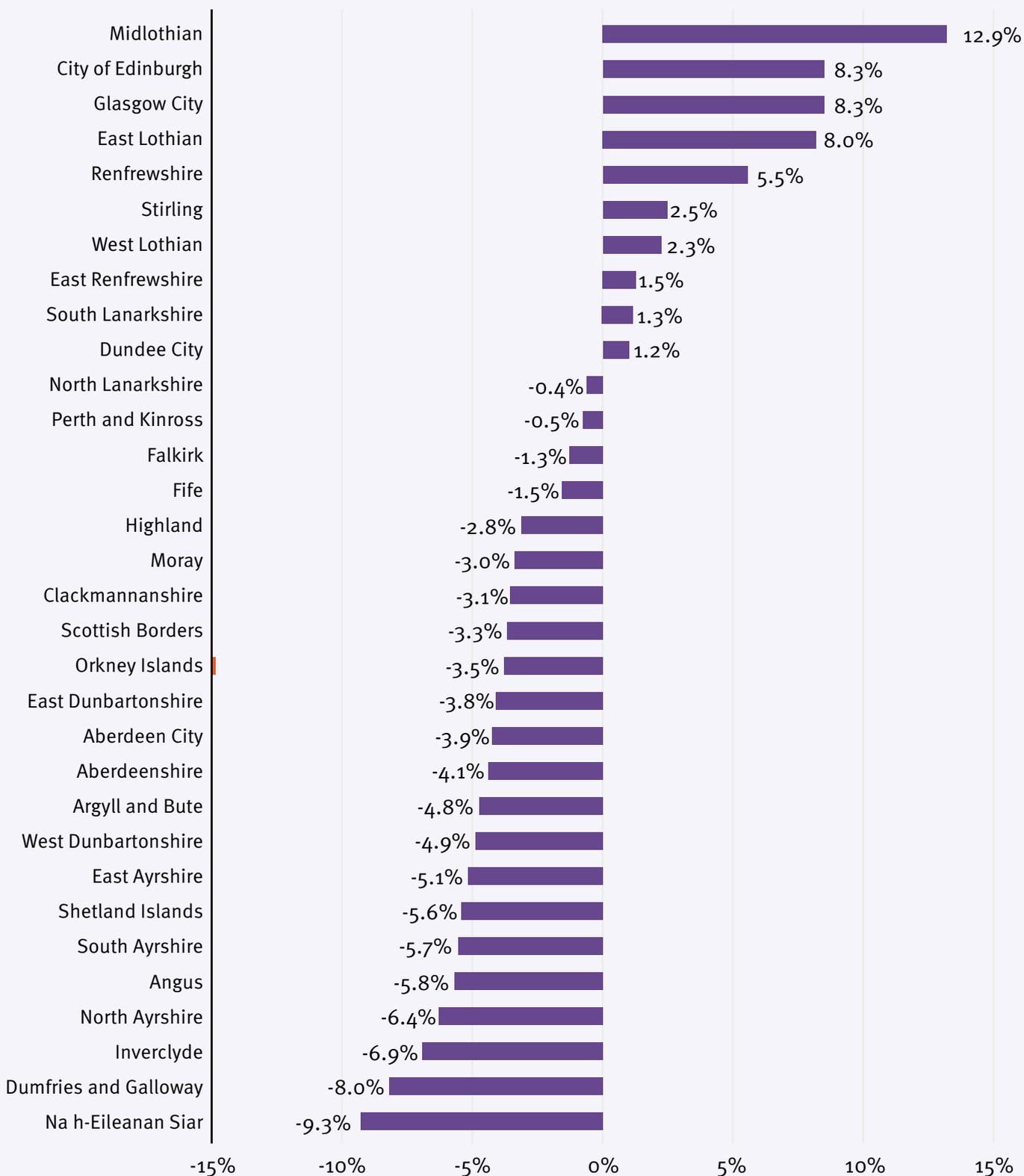
Between 2011 and 2022, Scotland's overall population has increased by 141,200 (2.7%), but this is unevenly spread. Midlothian saw the largest population increase (up 16.1%) while Na h-Eileanan Siar saw the biggest decrease (down 5.5 %). Most of the council areas in the Central Belt saw an increase in their populations, particularly those around Edinburgh. These increases were primarily driven by inward migration from the rest of Scotland, the UK and overseas. Most of the councils that saw a decrease in population are in the west and

southwest. These decreases were driven by a higher number of deaths than births between censuses.[1]

Scotland's estimated inflow into the workforce has been declining and from 2026 there is a projected outflow from the workforce, with a greater number of people of working age likely to be leaving compared with entering. Again, there is growing disparity across Scotland (see Figure 1):

**Figure 1: Percentage change in working age population across Scottish local authorities, 2013-2023**

| Local Authority | Percentage change |
|---|---|
| Midlothian | 12.9% |
| City of Edinburgh | 8.3% |
| Glasgow City | 8.3% |
| East Lothian | 8.0% |
| Renfrewshire | 5.5% |
| Stirling | 2.5% |
| West Lothian | 2.3% |
| East Renfrewshire | 1.5% |
| South Lanarkshire | 1.3% |
| Dundee City | 1.2% |
| North Lanarkshire | -0.4% |
| Perth and Kinross | -0.5% |
| Falkirk | -1.3% |
| Fife | -1.5% |
| Highland | -2.8% |
| Moray | -3.0% |
| Clackmannanshire | -3.1% |
| Scottish Borders | -3.3% |
| Orkney Islands | -3.5% |
| East Dunbartonshire | -3.8% |
| Aberdeen City | -3.9% |
| Aberdeenshire | -4.1% |
| Argyll and Bute | -4.8% |
| West Dunbartonshire | -4.9% |
| East Ayrshire | -5.1% |
| Shetland Islands | -5.6% |
| South Ayrshire | -5.7% |
| Angus | -5.8% |
| North Ayrshire | -6.4% |
| Inverclyde | -6.9% |
| Dumfries and Galloway | -8.0% |
| Na h-Eileanan Siar | -9.3% |

Source: IS Policy Briefing

These changes in population size and structure will inevitably impact Scotland's workforce. This is also being experienced differently across Scotland, resulting in a concentration of working age population in some areas and a sustained reduction in others.

## Workforce challenges

One of the challenges that local authorities are facing is having insufficient working-age population to support the aging population. This is compounded by population balance issues such as depopulation, or fast-growing retired populations.

Scotland has an increasingly inactive workforce, which further exacerbates the issues associated with population imbalance. ONS data shows that 34% of the Scottish working-age population who were economically inactive were inactive due to being long-term sick or disabled.[2] The Improvement Service report also points to a 12% increase between 2023 and 2024 in the number of 16–64-year-olds who were inactive due to retirement.

This can also be particularly challenging for areas with a legacy of deindustrialisation, health inequalities and low job density, which is further compounded by economic centralisation and imbalance. It is also worth noting that 16.6% of the population who are economically inactive want to work.

Apprenticeships can provide training and education opportunities across Scottish local authority areas that aren't restricted by where universities are. Evidence suggests that the majority of Modern Apprentices and Graduate Apprentices in the green industry, for example, remain in the sector, remain in Scotland and often remain with the same employer after completion of apprenticeships.[3]

According to the Improvement Service report, "Analysis of employment numbers under different migration and employment rate scenarios suggests that improving economic inactivity rates may have greater potential to improve the overall level of employment than migration alone".

Additionally, businesses are reporting difficulties recruiting, particularly in social care, transport and storage, and administration and support services industries. These difficulties can be compounded in areas with a very narrow economic base where a local over-reliance on sectors affected by labour shortages leaves a disproportionate section of the local economy exposed.

### Case Study

In Perth and Kinross, and especially in rural areas affected by working age population decline and rapid aging, we over-rely on a relatively narrow economic base. Accommodation and food service activities is a very dominant sector, providing 20.8% of all employment in rural Perth and Kinross (and 40% and 35% in the wards of Strathallan and Highland, respectively). Rural council area is also reliant on agriculture and horticulture with a significant proportion of the 8,600 agricultural Tayside jobs based in rural Perth and Kinross. These are the sectors affected by post-Brexit labour shortages, very pronounced seasonal pattern of demand spiking and abating, and related seasonal demand for worker housing and fluctuating demand on local services.

## Scotland's population is driven by migration

Population growth in Scotland is driven by migration and the population is projected to continue increasing. In the ten years from mid-2022 to mid-2032, the population is projected to increase by 4.4% to 5.7million. In the 25 years from mid-2022 to mid-2047, it is projected to increase by 6.2% to 5.8 million. All the projected population increase comes from inward migration to Scotland. The projections suggest Scotland's population will not experience 'natural growth', as more deaths than births are projected each year going forward.[4] As Figure 1 demonstrates, changes in working age population vary dramatically between local authorities.

According to National Records of Scotland, net migration to Scotland from other parts of the UK has been 'fairly stable over the past decade, averaging around +10,000 people. It was higher in the year to mid-2023, at +13,900 people, and the year to mid-2024 at 13,800 people'.[5] This evidences the key role of migration from the rest of UK, as well as international migration.

Migration to Scotland significantly impacts councils by influencing population size and workforce availability. As such, migration (both international and from the rest of the UK) can support the repopulation of areas.

Migration is a reserved area and there are recent policies that are likely to have a disproportionate impact on Scotland including the increased salary threshold for working visas. This is particularly impactful on areas and industries that rely on migration but don't have employment opportunities at this higher salary level. There is currently little political appetite at a UK level to increase migration, but population growth in Scotland is dependent on this.

# WORKING TOGETHER FOR CHANGE

## 1 Promote more balanced and inclusive economic growth across all of Scotland

Investment is needed to grow economic opportunities and promote population growth, but there are often regional disparities in investment opportunities. Scotland is becoming an increasingly centralised economy. As the Improvement Service report highlights, this can create a circular problem as better performing economies attract investment more easily, encouraging continued migration to these growing areas at the expense of areas with a declining population. More could be done to encourage broader economic growth and more equally dispersed investment across the country, including emerging economic activity such as new and innovative sectors in repopulating areas. This would support inclusive growth and development, reduce regional inequalities, and strengthen national resilience.

At a national level, a more targeted incentivised approach could be taken to ensure the focus is not solely on bringing investment into Scotland but also considers where in Scotland this investment is directed. Conditionalities around various grants and funds are often aimed at areas experiencing deprivation but could also consider demographic change as a factor for targeting this investment.

Place-based frameworks and approaches such as Community Wealth Building and community-led local development have an important role to play in developing resilient

places that can retain and empower existing communities and are attractive to new inward migration. This is not about stifling growth in particular areas, but it is about ensuring investment, and the benefits of economic growth, are more equally dispersed, which will also strengthen national resilience. It is also worth recognising that small interventions can have proportionately higher impacts in some depopulated areas.

The crucial role and diversity of the rural economy must also be recognised and valued. There are significant opportunities for more widely dispersed (not displaced) investment which could support rural areas looking to grow and repopulate, for example, through the growing green industry (such as pumped storage hydro, onshore wind, green hydrogen),[6] and in key sectors such as food and drink, research, defence industries, life sciences, aquaculture and fishing, tourism, energy and new technologies. Highlands and Islands Enterprise's report on regional opportunities describes significant potential investment, but underpinned by adequate workforce and skills, housing, and transport – see Figure 4:

**Figure 4: Potential investment by area (Highlands and Islands)**
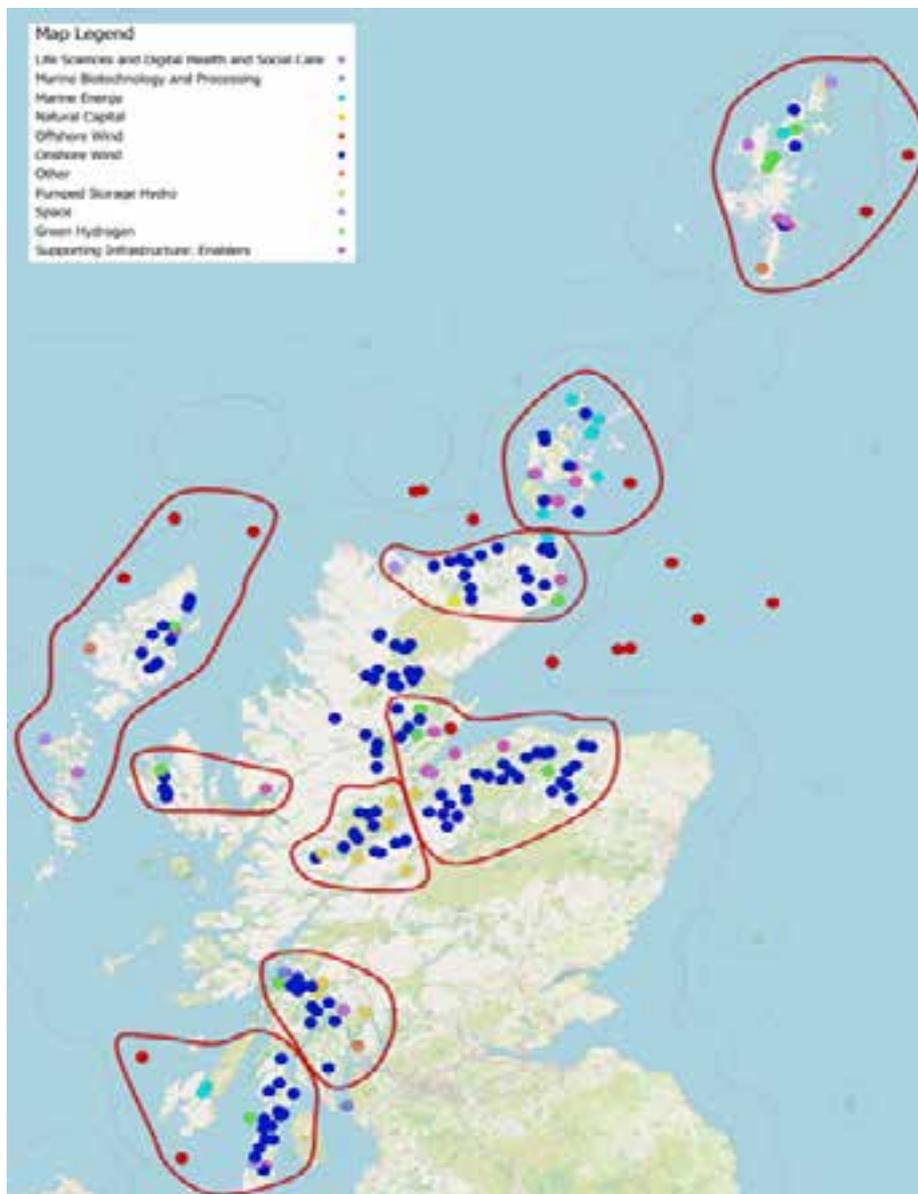


Source: HIE 'Regional Transformational Opportunities in the Highlands and Islands'

SMEs have voiced disparities in accessing finance. In the [Scotland SME Access to Finance report](#) participants noted that rural and remote areas (including but not limited to the Highlands and Islands region) face more challenges in accessing finance, since finance providers and investors tend to be concentrated in the central belt and major cities like Edinburgh and Glasgow. This has a major impact on rural economies and infrastructure. Councils have also highlighted access to affordable finance is a considerable barrier for SMEs building more speculative housing. The report states Scotland had a higher proportion of SMEs facing barriers to finance (41%) than Northern Ireland and Wales (both 21%). The report also highlights businesses in less densely populated areas may have access to fewer opportunities to increase their awareness of finance options, including face-to-face interactions with lenders.[7]

## 2 Work together to improve the apprenticeships system

The skills system in Scotland could be better used to maximise the potential of the existing workforce and create opportunities that encourage people to remain in their local area. This should be aligned to sector opportunities e.g. renewable energy sector, retrofitting, green skills that then create a workforce for these areas, allowing for further business development or growth to occur in areas facing depopulation.

Apprenticeships are a crucial but underutilised part of this skills system. In 2021, less than one in five employers in Scotland offered formal apprenticeships.[8] This may be because employers are not fully empowered within the skills system. The OECD suggest that currently there are few incentives to encourage employers to either offer apprenticeships or to get more involved in the governance of the apprenticeship system.[9] They also highlight that the funding of apprenticeships further contributes to the issue. The funding system for modern apprenticeships can give learning providers disproportionate influence over the mix and scale of places on offer, therefore the system may reflect which apprenticeships are easy or cost-effective for the provider to offer, rather than what employers, trainees, or the overall economy needs.

Funding for skills also disproportionately favours higher education over apprenticeships. Higher education is separately funded, but employers must bear some of the training costs involved in Modern Apprenticeships, especially for older adults. The apprenticeship funding model in Scotland also differs from what is seen in England. England's model focuses on giving employers the power to fund training directly, while Scotland uses a more centralised approach, where the government allocates funds raised through the apprenticeships levy for various skills development programmes, including apprenticeships.[10] Improving the role of employers (including local authorities as significant employers) through financial incentives and greater influence over what is offered, may increase apprenticeship provision, better align skills planning with labour market challenges, and provide an improved response to the changing population.[11]

Increasing the age threshold for Modern and Graduate Apprenticeships should also be explored, while several councils have emphasised the need to explore increasing the age threshold for Modern and Graduate Apprenticeships, and the benefit of developing more accessible apprenticeships, to allow remote and work-based learning options where there is a workforce shortage. Expanding Higher Education opportunities should also be explored. This could allow

young people to remain in their communities if they choose and could also attract new talent to rural regions through improved access to education and employment.

Scottish Government has stated the intent in the Public Service Reform Strategy to introduce 'a new Scottish Government-led approach to national skills planning, and strengthening regional skills planning'.[12] Local Government must be engaged with throughout developments in national and regional skills planning.

## 3 Better support for re-entry to work, and support for older people to remain in the workforce

To help counteract the population challenges faced by local authorities, it is important to consider ways of maximising the existing potential workforce. Local authorities and partners already undertake a great deal of work in supporting people to re-enter workforce, re-skill and upskill and have knowledge and experience of interventions that make a difference. However, to enable the biggest impact and make positive outcomes sustainable, long-term funding is required. This will provide the stability to plan strategically, deliver interventions at scale, and allow sufficient time for initiatives to demonstrate meaningful results.

In addition to more formal employability support, Community Learning and Development and access to public libraries are other key local authority supports for people looking to enter or re-enter employment. These also require sustainable funding.

The Improvement Service report shows that we have an ageing population as well as increasing numbers of people retiring at an earlier age, highlighting another area for consideration. Multi-annual employability funding through No One Left Behind (NOLB) would allow for longer-term planning of services to help tackle the barriers people face to enter and re-enter employment. Local Employability Partnerships already do great work on employability and, by extension, reducing child poverty. This could be a benefit, including to over-50s. Approaches should include supporting enterprise and self-employment of people 50+ and engaging with employers on the positives of flexible working policies, which may support more people 50+ to enter and remain in work.

## 4 Workforce footprint and improvements on remote working

Scottish Government's action in the Population Strategy regarding workforce footprint should be reviewed, including consideration of how distributing the workforce across the country could be actioned. Equally, the UK Government should include areas that are working to repopulate in their plans to relocate Civil Service roles. Currently the relocations have been limited to three cities in Scotland.  This would be action to disrupt the trend towards further concentration of the population in the East-Central Belt, and provide learning on how public sector job dispersal can be used as a structural population intervention.

There is evidence that increased access to remote working has caused some population movement from urban to more rural areas.[13] Whilst remote workers are predominantly moving to suburbs or accessible urban areas, there is potential to consider barriers such as digital connectivity that impact

both on remote work and on business development in rural areas, and business and organisational practices which can deter the incentive/ability to move further afield. Digital connectivity and digital exclusion are critical issues, with many parts of Scotland at risk of being left behind – this affects the ability to retain population and attract in-migration, and also limits access to health services and education opportunities.

## 5  Better evaluation, monitoring and measurement of policy impact

There is a need for strong linkages and coherence between demographic change and other policy areas, such as economic policy and economic development. Policies should be developed and considered with a population lens.

Our ability to systematically measure and evaluate the potential consequences, both intended and unintended, of new policies, strategies and legislation on population balance is imperative, yet to date has not been robust.  This is emphasised by the Expert Advisory Group on Migration and Population in their recent report on the challenge of population balance, which maps Scotland's institutional and intervention landscape.[14] The Expert Advisory Group recommends establishing objective baseline indicators of population balance, and relative measures of policy impact, as a basis

Sharing our learning, knowledge and expertise in population balance is crucial. The Expert Advisory Group recommendation for the initiation of regular 'stock-taking' conferences to pull knowledge of policy relating to population balance from across Scottish Government, the public sector and third sector should be taken forward.[16] This invitation should also be expanded to include UK Government and the private sector.

for comparable policy documents.[15]  In short, it is crucial we understand what success looks like, what the target outcomes are and how they will be measured.

The Addressing Depopulation Action Plan (ADAP) Pathfinder work has started to explore formative evaluation methods which could provide a better understanding of the relative impact of different forms of intervention in pursuit of population balance at the community-level. Scottish Government, COSLA and local authorities should work in partnership to explore the learning from the ADAP work and establish evaluation and monitoring methods that take better account of policy impact from a population balance perspective. It must also be recognised that the impact of ADAP is limited by scale and level of resource: more ambitious actions beyond ADAP are essential.

### Case Study

ADAP funding for Comhairle nan Eilean Siar has allowed them to fund a dedicated Settlement Officer which has worked well in providing a 'one stop shop' for relocation enquiries. There is interest in expanding this approach across the islands. Longer-term and sufficient funding would enable a broadening of this kind of approach.

# 6 Migration policies

Population growth in Scotland is driven by migration but changes to UK migration policy could make it more difficult for Scotland to attract new migrants, putting future population growth at risk.

Scottish Government has published a response to the UK Government Immigration White Paper, with a set of tailored migration proposals. As we have noted above, migration to Scotland significantly impacts councils by influencing population size and workforce availability. Migration can support the viability of services through employment but can also add to the demand for public services. There has been a longstanding acknowledgement by COSLA and Scottish Local Government that Scotland would benefit from a more flexible immigration system. An immigration system that can take account of the diversity that exists within Scotland, and that is responsive to local population shortages, local salaries and local skills requirements faced by different parts of the country would be beneficial.[17] In this respect we support the premise of targeted placement migration policies such as the Rural Migration Pilot set out by Scottish Government. However, we must recognise the distinct requirements of each local area and cannot replicate an immigration system in Scotland that could exacerbate population imbalance and East-Central Belt challenges.

Given the reluctance from successive UK Governments to incorporate more flexibility within the immigration system, we must explore in full what is achievable in the current system. This includes ensuring that the Scottish Migration Service (SMS) has strong links and works closely with local authorities, employers and partners in areas requiring repopulating, and fuller consideration of how Scotland can attract more working-age individuals from other parts of the UK.

We can learn from international examples and explore fiscal incentives that can be introduced to encourage people to relocate to rural areas. For example, the introduction of fiscal incentives (such as student loan reductions) and infrastructure development to attract people to Northern Norway to combat depopulation.[18]

# HOUSING

## TACKLING THE BIGGEST CHALLENGES

A strong economy and access to job opportunities is key to population growth but this needs to be underpinned by access to appropriate and affordable housing. Housing, planning and infrastructure are consistently emphasised by councils as critical to population balance. Housing is a necessity for attracting people to areas requiring repopulation. For example, the Highlands and Islands Enterprise (HIE) repopulation strategy identified that 45% of businesses cited a lack of staff accommodation,[19] while a South of Scotland report on key worker homes stated more than three quarters (77%) of employers said that a lack of suitable housing is significantly affecting staff recruitment and retention.[20] Rapidly growing areas also emphasise the need for better join up of planning and investment structures. House building and maintenance improves productivity and engagement in the workforce and sustains long-term jobs, even in areas where few new homes are being built.

We cannot talk about housing without acknowledging the pressure housing systems are under, with thirteen councils having declared housing emergencies thus far. It is possible that others will follow as demand continues to rise and to outstrip supply.

There are currently various initiatives and legislative changes which focus on addressing the housing crisis, such as the Housing to 2040 Strategy, Housing (Scotland) Bill, Scottish Government Housing Emergency Dashboard, housing emergency pillars (More High Quality Homes, Right Homes in Right Places, and Permanent Home for Everyone), COSLA Housing Special Interest Group (SIG)

medium to long-term actions (which stemmed from the SOLACE Housing in Scotland report),[21] and a number of governance structures to support them, e.g. Housing to 2040 Board, Housing Investment Taskforce, and Housing Special Interest Group.

The aim of this paper is not to add to an already crowded housing policy landscape. Rather the report aims to consider elements of housing policy through a population lens. It is worth noting that household composition is shifting and every council area in Scotland is facing an increase in households, even those that are facing population decline. Households are smaller on average than in the past (meaning much existing stock may be too large), while an ageing population puts particular demands on the system, in terms of requirements for adaptations to enable people to live at home. In addition, existing stock needs to meet modern standards in relation to repair and energy efficiency, but much of it, particularly in rural areas, does not. Therefore, meeting the needs of a changing population is not just about more houses.

This report aims to recognise the need for strong linkages and coherence between demographic change and housing policy and seeks to amplify some of the medium- to long-term actions from the COSLA Housing SIG, which were agreed by council Leaders in August 2025.[22] These could make a significant difference to population balance and the paper explores how some of these actions could be fine-tuned to ensure population balance is a consideration.

Councils have informed COSLA that some of the key population challenges they are facing relating to housing and population balance are:

# The current housing delivery model and population imbalance

Rural and island areas requiring repopulation suffer from a number of housing challenges, such as high building costs (for example, recent tenders received by Highland Council for standard 3-bedroom units in north west Sutherland have come in at £425K per unit), lack of scale to attract developers, lack of capacity to complete projects, and a market failure of development (unable to deliver the scale and profit levels large developers demand) and private rented sectors.[23]

Deindustrialised areas facing depopulation may have empty sites, but they are often contaminated and costly to develop, which can act as a crucial disincentive for housing developers. This can also be an issue for rural areas too, e.g. peat removal. On the other hand, large scale, market led housing developments, and the infrastructure demands these place on areas, are further exacerbating the challenges facing areas experiencing rapidly increasing population growth, and worsening failure of housing in more low demand areas. These challenges are also reflected at a local level by the many local authorities that cannot be placed at either end of the spectrum but are dealing with population decline and population growth within the same council area. An adequate supply of housing is fundamental to achieving and maintaining population balance.

## Case Study

The number of private rented sector (PRS) properties across Argyll and Bute continues to significantly reduce, from 5,824 in May 2020 to 4,373 in August 2025. A research paper titled 'The challenges faced by rural landlords: The case of Argyll & Bute' indicated the potential for a further 33% reduction in private rented sector properties, and explored the varying reasons which contribute to this.

The shrinking private rented sector reduces the number of housing options available and is likely to increase demand for social housing and alternative tenure opportunities such as Mid-Market Rents (MMRs). As of August 2025, 634 people across Argyll and Bute had indicated their interest in MMR properties through HOME Argyll, an increase of 70% from April 2023. At present, mid-market rental opportunities in Argyll & Bute are limited, with no additional mid-market development projects scheduled, and there appear to be major barriers to delivery identified in delivering MMR opportunities in rural areas when compared to urban areas.

# Infrastructure issues for high demand areas

There are significant challenges with delivering public infrastructure to meet a rapidly growing population. Councils highlighted concerns around house building without the right infrastructure to support this growth, and added pressures for councils further down the line. Councils are also raising an inherent conflict caused by planners having to deliver city plans despite infrastructure not being there to support them.

This case study also reflects the pressure councils are under to deliver on national housing targets and raises questions around how achievable this is with current resources.

## Case Study

East Lothian's population has grown from 99,000 in 2001 to 112,000 in 2021 (an increase of 21.5% over a decade) and is projected to continue to grow. The 2018 Local Development Plan required East Lothian to deliver 10,000 new houses, which is effectively adding a further quarter of homes within East Lothian. To support this level of growth, East Lothian is building 5 new primary schools and a new secondary school, as well as extending many of their other schools. Developer contributions did not cover full cost of the capital infrastructure, and there are revenue costs to support the schools (e.g. each primary school on average costs £4m per annum to run once fully operation and approximately £11m per annum to run the secondary).

# Second and holiday homes

In popular tourist areas local housing markets are affected by second home ownership and holiday letting. HIE states their region has 41% of Scotland's second homes[24] and, according to figures from the SOLACE housing report, 13.3% of properties in Comhairle Nan Eilean Siar, 10.4% in Argyll and Bute, 9.1% in both Orkney and Shetland and 6.7% in Highland Council are empty due to an increase in short term letting and owners of second homes.[25] The concentration of second homes and short-term lets in specific areas exacerbates the problem. For example, in Dumfries and Galloway, one town has seen 42% of properties in these categories, leading to 'hollowed out' communities. Competition for second homes can inflate prices beyond the means of local people. Seasonal occupancy and transient populations also change communities and affect the viability of local services.

# Removal of local connection exacerbating homelessness figures in some areas

There continues to be a significant demand placed on homelessness and temporary accommodation services, alongside the increase in energy, food and fuel costs, requiring a comprehensive preventative approach. Homelessness is not inevitable and can often be prevented. The Homeless Persons (Suspension of Referrals between Local Authorities) (Scotland) Order 2022 gives people the opportunity to seek homelessness assistance in any council area. This includes people from elsewhere in the UK, an opportunity which is not reciprocated in other nations. SOLACE has identified the implementation of the removal of the necessity

As well as people seeking assistance from other council areas, including elsewhere in the UK, there are also increasing pressures from asylum cases and humanitarian protection programmes being placed on housing and homelessness services. Whilst Scotland is and will continue to be a welcoming place for those fleeing persecution, there is a need to acknowledge the increasing pressures that are being placed on housing and homelessness services. ALACHO's recent RAG Report highlights how the number of refugees in the system has risen in recent months as the UK Government has increased the rate of decision making on asylum applications. This is bringing additional challenges for some areas, particularly Glasgow. Combined with the more progressive homelessness legislation in Scotland, this is seen as exacerbating an increase in homelessness applications in some areas.

West Lothian Council Homelessness Strategy 2025-28 identifies resettlement schemes, the streamlined asylum process, and the removal of local connection as contributing to their high demand for homelessness services.[29]

to have a local connection to an area under this legislation as a key issue that requires addressing in their 'Housing in Scotland' report.[26] Councils have reported that they are seeing a shift in persons now presenting in areas already dealing with rapidly increasing population numbers. For example, Midlothian did not experience an immediate impact during the first 18 months of changes to legislation. However, they are now reporting an increase in people approaching the council for assistance and seeking alternative options as neighbouring councils struggle to provide accommodation that meets their needs/wishes.[27]

## Case Study

Glasgow City Council has a long and proud history of accommodating asylum applicants (approximately 95% of asylum applicants in Scotland are accommodated in the city). In addition to the high number of refugees granted leave to remain in the UK who reside in Glasgow, the city is also witnessing a considerable increase in the number of households that are granted leave to remain elsewhere in the UK, who are then traveling to Glasgow to make an application for homelessness assistance. Homelessness Services receive no advance notification of these households and receive no additional funding for them.

In 2023/24, Glasgow received 599 homelessness applications from those granted leave to remain outwith the city and in 2024/25 a further 1,050 presentations were made. The growth in homelessness presentations in the city is being driven by those granted leave to remain.[28]

# WORKING TOGETHER FOR CHANGE

## 1 Rebalanced and flexible housing development models

The importance of balanced population is recognised in key housing and planning documents. Rebalanced development is one of six spatial principles in the National Planning Framework 4 (NPF 4), which aims to focus on directing investment and development towards areas experiencing decline, while managing growth sustainably in areas of high demand. Rural revitalisation is another spatial principle in NPF4, with the aim to encourage sustainable development in rural areas, recognising the need to grow and support urban and rural communities together. The Housing to 2040 Strategy places importance on repopulation of rural and island areas and has an action "to support housing development in rural and island areas, helping to stem rural depopulation and supporting communities to thrive".

Acknowledgement of the population disparities in Scotland is a strong first step to supporting better population balance, but it must be followed by evidence-based, and appropriately funded interventions. The COSLA Housing SIG actions emphasise the need to establish metrics to assess housing policies and programmes, ensuring that they are effective and adaptable to changing needs.[30]

Funding and taking a place-based approach to rural revitalisation and housing development is crucial for incentivising developers to build affordable housing and social housing in the right places, and for supporting community-led housing and smaller scale developments to overcome market failure in some areas.

An action from the COSLA Housing SIG highlights the need for a review of the way in which funding allocations are calculated to take local circumstances into account.[31] We would suggest that this should include some of the specific challenges faced by rural and island communities, deindustrialised areas, and areas with significant population growth, as set out in the housing challenges section of the paper.

### Case Study

Angus Council has supported community-led housing initiatives in rural settlements such as Edzell and Newtyle, where traditional market delivery has failed. These projects have enabled local communities to shape housing provision, attract younger families, and support local services. The council has worked with local trusts and housing associations to deliver affordable homes tailored to local needs, demonstrating the value of flexible funding and planning support.

Furthermore, regularly reviewing housing strategies to respond to evolving demographic and economic conditions, such as migration and population drivers, is crucial to understanding and finding the mechanisms that support rebalancing development. Another COSLA Housing SIG action emphasises the need to agree on a long-term, 15-year supply strategy and targets. It is imperative that population balance is recognised and reflected in the supply strategy and targets.

The 'Inverclyde approach' exemplifies that a strong place-based approach is key to understanding how housing interventions can support the repopulation of an area. This work has identified that alongside an economic development focus, housing affordability, regeneration, and the expansion of the private sector housing offer is key to securing the conditions for the retention and expansion of younger working age households. The 'Inverclyde Approach' to tackling depopulation is geared around understanding its relationality to the wider Glasgow City Region. Its orientation towards the regeneration of Port Glasgow ensures that rather than a peripheralised post-industrial pocket of the Glasgow City Region, Inverclyde can support the balanced growth of the region's housing market, providing a housing offer that suits younger economically active households. Thus, as well as supporting the economic development of the region, housing also functions as a critical part of the infrastructure for Inverclyde's economic growth. The project has set out the first steps on how this is to be achieved and has identified the tools required to deliver such ambitions are ready and are to hand.

## 2 Infrastructure and services first requirement

The Housing to 2040 Strategy has committed to strengthen planning policies by embedding an infrastructure first approach to development. However, as we have seen above, many councils are still facing significant challenges with delivering public infrastructure to meet rapidly growing housing developments and city plans, the costs for which are ongoing. The COSLA Housing SIG mid-to long-term actions stress the increasing need for investment in infrastructure, which ensures that housing developments are accompanied by adequate infrastructure investments, including transportation, schools, childcare, and healthcare facilities.[32] The SIG action reflects the need to support councils to align housing projects with community needs. It must also be acknowledged that it is not only councils that have a responsibility to provide infrastructure, and this extends to considerations around health, energy, water and transport. There is potential learning here from parts of Scotland that have historically dealt with a rapid increase in population, such as the North East.

## 3 Second and holiday homes

When councils are given adequate powers to deal with this type of occupancy, the results can be significant, e.g. Short Term Let Zones, Council Tax Premium and Visitor Levy. The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 authorised councils to levy a council tax premium of up 100% on second homes starting April 2024.

The new powers for councils under the Visitor Levy (Scotland) Act 2024 will ensure they can generate funds that can be reinvested in local facilities and services. Councils across Scotland are actively developing proposals for visitor levies, which will cover holiday lets.

COSLA Housing SIG recommends the exploration of legislative powers to restrict the sale of housing in pressured areas for second homes and holiday homes.[35] Taking a population balance perspective, this paper endorses the benefits of such legislation. It is also noted second homes and holiday homes are an important part of the tourist infrastructure and economy in some areas, thus underpinning the importance of taking a place-based approach.

Scottish Government has launched an Addressing Depopulation Fund, which is a commitment contained within the [Addressing Depopulation Action Plan](). The fund is providing five local councils with small pots of money over 2 years to develop and trial new pathfinder interventions in support of population attraction and retention. Argyll and Bute and Dumfries and Galloway pathfinder initiatives are experimenting with a wide range of guidance and advice to increase availability of privately rented homes for local people, and to discourage the transfer to second home status.

It is crucial that the learning and costings from this initiative , and any potential for expanding to other areas, is recognised and taken forward through both Housing 2040 and Population Programme governance structures.

## Case Study

In Argyll and Bute, the implementation of the council tax premium on second homes has seen a notable reduction in the number of second homes and, in turn, has increased private housing stock, this has made promising strides towards addressing the local housing emergency. It has also generated significant financial benefits - this additional revenue supports local services, particularly in rural areas where resources are most needed.[33]

## Case Study

City of Edinburgh Council is introducing a 5% visitor levy for overnights guests in paid accommodation from 24 July 2026.  The levy is projected to raise up to £50 million a year once established and the funds, after administration costs, will be invested into city operations and infrastructure (55%); culture, heritage and events (35%); and destination and visitor management (10%).[34]

## Case Study

Geographic mapping is being undertaken by Dumfries and Galloway Council for second homes, short term lets and vacant and derelict properties. This is designed to understand hot spots across the region, to assist in identifying where is most impacted by occasional users and maintaining community.

## 4 Understand and adequately support the consequences of the changes to homelessness legislation

There is a growing need for consideration to be given to how homelessness prevention duties are impacting councils' ability to prevent homelessness in areas outwith their own council boundaries, and how this can be better recorded once a duty is agreed. We are seeing an increasing bearing on some councils and their communities, and we may not have seen the full impact yet. There is a need to implement the COSLA Housing SIG action to focus on understanding the varying levels of homeless applications between council areas to inform our approach long term, and to adequately support those councils experiencing the consequences of legislative change.[36]

# TRANSPORT

## TACKLING THE BIGGEST CHALLENGES

There are transport-related challenges across Scotland. These differ depending on the area and are influenced by the geography and demography of the area. There are also particular complexities faced in rural and island communities as well as lower populated areas of local authorities.

As with the housing section above, this paper is seeking to reflect existing identified areas of need within the Transport sector with a population balance lens. Challenges experienced by rural and island communities are well-documented in the National Transport Strategy 2 (NTS2)[37] and there is a key action specifically focused on areas at risk of depopulation: 'Minimise the connectivity and cost disadvantages faced by island communities and those in remote rural and rural areas, including safeguarding of lifeline services'. The aim of this section is to highlight challenges and areas where further progress is required to meet the needs of areas with declining population numbers and those with rapid growth.

The impact of public transport on Scotland's ability to meet Net Zero is rightly a key policy focus. Transport's impact on population patterns is another important strategic lens and a further reason for increased attention and investment.

Buses are a key focus due to being the most commonly used form of public transport. Scottish Transport Statistics show that in 2023-24, 74% of public transport journeys were made by bus, followed by rail (18%), air (6%) and ferry (2%).[38] Car remains the most widely used form of transport overall[39] and in some areas a degree of car travel is essential due to current gaps in public transport infrastructure. Transport must be considered as a whole to ensure that transport is accessible to people no matter where they live in Scotland. Improving transport infrastructure, including road networks, can be a key tool in helping to improve population balance.

Some of the key challenges local authorities face in transport provision that relates to population balance include:

## Dispersed populations in rural areas

Dispersed populations in rural areas can make public transport hard to coordinate.

The National Transport Strategy Monitoring and Evaluation Report 2024 states: 'In around 24% of remote rural areas, there was no access to public transport, as was the case in around 18% of accessible rural areas (compared to around 1% of data zones in large urban areas).'[40] Issues are not restricted to remote rural areas; there are wider issues of accessibility including in accessible rural areas such as market towns. This can be because of dispersed populations and demand, and services/settlements not being concentrated along an easily formed route.

## Low passenger uptake

Low passenger uptake along bus routes also brings challenges of difficulty in provision and local authorities sometimes have to subsidise routes which are not financially sustainable for private sector providers. The cost challenges of running routes that have low utilisation means they are more likely to be infrequent and with shorter operation hours, which in turn reduces reliability and utilisation. This pattern can be seen in data from Transport Scotland which shows that 42% of people in large urban areas use the bus at least once a month but that this falls to 24% in other urban areas and 12% in remote rural areas.[41]

### Case Study

Strathclyde Partnership for Transport coordinates supported bus services on behalf of 12 partner Councils. They report that costs have increased significantly over recent years while the available pot of money remains broadly static resulting in the need for more interchange by passengers and combining of routes resulting in extended journey times. SPT has kept fare increases to a minimum but there is a longer-term challenge to sustain services especially in more rural and remote areas. SPT are exploring opportunities for bus reform based on powers in the Transport Scotland Act (2019), including bus franchising.

## Reductions in levels of service

Due to cost pressures on operators, and lack of revenue funding accessible to Local Government to put into subsidising bus provision, there have been significant reductions in levels of service, alongside fare increases. The commercial model for bus provision means local authorities have limited control over fares, service levels and timetabling. Increases in fares causes pressure on the local population and contributes to the lack of uptake of public transport as well as Transport Poverty.

A Public Health Scotland report states, "travel is by far the greatest source of additional costs for residents of remote rural Scotland" and can contribute to the existence of transport poverty in these areas.[42] These costs include not only

public transport, but also high costs of fuel and car ownership. Transport poverty is not an issue specific to remote and rural Scotland, transport can be unaffordable for low income households across Scotland. The report also states that 'in peri-urban areas, with poor-quality services and limited employment opportunities, people in low-income communities often lack the transport services needed to reach employment and meet their daily needs'.

Concessionary fares are available for some of the most vulnerable groups, however, this has minimal impact in areas where there are no or limited buses available. Transport poverty is defined by Transport Scotland as: 'the lack of transport options that are available, reliable, affordable, accessible or safe that allow people to meet their daily needs and achieve a reasonable quality of life'.

## Reliance on cars

People living in areas without or limited availability of public transport are often reliant on cars to access employment, services, social activities and so on. Those dependent on car use are facing higher fuel costs, and higher costs to replace and finance their cars. Relying on a car for travel increases the cost of living and can widen inequalities nationally.

## Imbalanced population

Lack of infrastructure and high costs of transport can act as a deterrent away from living in rural areas and contribute to an imbalanced population. A recent IPPR report highlights risks of insufficient public transport infrastructure including on depopulation: "Remote and rural areas are particularly underserved by Scotland's existing transport infrastructure (highlighted by chronic ongoing problems with ferry services), and this poses major barriers to investment and workforce mobility, risking depopulation, isolation, additional costs borne disproportionately by local communities, and failure across a host of Just Transition Outcomes".[43] This is also reflected in local authorities with major population decline in some areas and population growth in others (which often offsets their overall decline), where imbalance and connectivity of communities is felt deeply by residents.

### Case Study

In East Ayrshire, it would take a resident in Dalmellington (an area that has seen decline of -9% since 2011) over an hour and a half to get to East Ayrshire's biggest town, Kilmarnock, via public transport. This journey is cut by an hour if it is made by car. This is a barrier to employment in rural areas of East Ayrshire and is commonly seen through employability services.

## Impact on visitor numbers

Public transport provision not only impacts those living in the area or considering moving to an area; it also impacts the ability of people who don't have access to a car being able to travel to parts of Scotland to visit. This impacts on, for example, who has access to areas of Scotland's natural landscape and also on local economies.

## Island communities

Island communities have distinct transport-related challenges to staying connected to the Scottish mainland and for inter-island travel. This includes reliance on strong ferry links, air travel and alternative, more expensive forms of transport such as private cars. There have been various challenges with the running of ferries, such as reliability of services and repeated technical faults. This can make island communities a less attractive option for those looking to relocate or stay, as well as significantly impacting availability of goods and services from the Scottish mainland, which can make it harder to re-establish a healthy economy and grow the local population.

## Freight capacity

Freight capacity and costs for remote and rural areas can be another area that impacts on economic productivity, including by influencing the willingness from businesses to invest. It also increases the cost of living for local residents, for example, the cost of deliveries.

# WORKING TOGETHER FOR CHANGE

Investment in public transport infrastructure has positive impacts. A paper, 'Public transport investments as generators of economic and social activity' states: "*Public transport improvements increase economic activity, both at an aggregate level (higher gross domestic product) and household level (higher income), although the effect can be geographically imbalanced*".[44] Investment in sustainable public transport is at its core a public health measure, reducing hospital admissions and easing pressure on other services, reducing road traffic fatalities and casualties, reducing emissions, creating cleaner air and healthier lungs and encouraging physical activity. It is also a strong source of employment in Scotland and an important element of work to counteract current population imbalance trends.

## 1 Partnership approach

Scottish Government has strong engagement, knowledge and understanding of transport challenges, including its impact on population balance. We must continue to work across local and national governments as well as with other key partners including Transport Scotland, Regional Transport Partnerships (RTPs), private and third sector transport providers and service users.

The key role of local authorities, including through close collaboration with RTPs, in having a whole system perspective should be recognised.

Strengthening partnerships between local authorities, Transport Scotland, and the private sector to share best practice and coordinate maintenance efforts is of key importance.

## 2 Population lens strengthened within Transport policy

Population is mentioned in NTS2 e.g. "Importantly, the Strategy will ensure those living in rural, remote or island communities will be well connected and have as equitable access to services as those living in the rest of the country, therefore making a positive contribution to maintaining and growing the populations in these areas" However, there were no actions within the latest NTS Delivery Plan to progress towards this goal.

The next Delivery Plan should have specific actions and include funding that aligns with the NTS2's intent, with Local Government as central partners in its development.

It is important that strategic schemes, such as the A83 and A9/A96 projects, lifeline ferries, essential air services, and rural bus networks, are viewed as population retention and growth measure, not only transport upgrades.

## 3 Evaluation of the under 22s free travel scheme

This includes free bus travel for under 22s and free inter-island ferry travel for island residents aged under 22 – should look at the impact of the schemes on retention of young people and potential improvements.  Future evaluations of the end of peak fares on trains should also include the impact this has had on population retention in some areas.

The scheme can have a positive impact on young people's lives including promoting independence[45] and can remove a financial barrier to taking the bus to school, socialising, volunteering, working and more. It would be beneficial to further understand the scheme's impact, including whether it is helping with the retention of young people in their local area after leaving school, and whether there are ways it can be improved to have more benefit for young people living in rural areas. For example, 16% of young people indicated the reason they stopped using the scheme was a range of accessibility issues with local bus services.[46]

# 4 Funding

Appropriate and sustainable and multi-year funding, both capital and revenue, is required to achieve policy intent and meaningful outcomes, including to help create the conditions for a more balanced population spread. Funding should have flexibility to allow for local innovation and initiatives that meet the particular needs of local communities. Multi-year funding settlements will provide more certainty for investment, enhance value for money, enable efficient and strategic delivery of essential infrastructure projects, allow robust fare strategies and service levels to be determine and support rural bus services and help ensure integration with rail and active travel. Approaches require strong engagement with Local Government, including through Professional Associations to ensure they are well informed.

The above case studies illustrate that where funding is available, local authorities can take effective, place-based action toward transport challenges, which can have a positive impact on equalities and the accessibility of rural areas.

Funding is not only necessary to increase how responsive and innovative local authorities can be, it is also essential for enabling local authorities to maintain and improve other transport infrastructure, for example public road networks across Scotland. Local roads make up around 95% of Scotland's road network and serve as vital arteries for people going about their daily lives. They provide routes for public transport and freight, and access to employment, healthcare, education, and social services.

## Case Study

In Aberdeenshire, there was a pilot demand responsive transport (DRT) system called Ready2Go that allowed individuals to travel around Inverurie and surrounding smaller towns more easily. DRT provided users with app-based on demand pick up and drop off; deviating away from traditional fixed route/fixed timetable bus services. Other similar schemes are also underway across Scotland. This can be very helpful for parents so they have more flexibility and can use the transport system to fit around their childcare opening hours and their work, rather than fit around a fixed public transport timetable.

The Ready2Go as a pilot came to an end in April 2023, due to the funding challenges to maintain the service, despite achieving key objectives around inclusion and accessibility. The service brought a lot of positive benefits such as improved trip chaining and access to opportunities, and increased the practical availability of public transport for many.

## Case Study

Another example of Demand Responsive Transport and the positive impact it can have is Moray Council's m.connect. This is focusing on increasing the number of people accessing public transport to get to and from rural areas to work, education and leisure. It is growing the provision of public transport by using innovation rather than convention, including simplifying fares, introducing an app for making bookings, improving ticketing systems and introducing electric vehicles to the operational fleet to complement the existing public transport fleet, supporting the Council's target of operating a fully net zero fleet by 2030.

Funding is also particularly important in light of increasing incidents of transport disruption due to severe weather. Transport infrastructure improvements and investment are essential for climate resilience.

It is essential that funding is sufficient and sustainable to ensure that transport provision can reflect the needs of communities, such as in the examples above; can be implemented long-term; and that essential infrastructure is maintained and improved.

In the first seven months of operation, the passenger app was downloaded 2,200 times with one third of all bookings made via the new app. The service also retained the customer services telephone line, allowing for a range of customer needs to be met without impacting on the services innovations. This has contributed to a 25% increase in passenger journeys, averaging nearly 5,000 journeys per month since m.connect's introduction.

The m.connect service has continued to grow and respond to community feedback, for example by introducing on-demand Saturday service.

## 5 Recognise transport as a cross-policy priority

COSLA and local authorities are committed to working with Scottish Government on joint areas of priority such as the second Net Zero and Just Transition work. It is essential that work to reduce emissions is conducted in a way that is fair and equitable. This includes recognition of the unique challenges being faced by those in our most deprived areas, as well as those in rural and remote communities, as recognised in the renewed car use reduction policy statement.[47]

Recent IPPR research also points to the importance of building up alternatives as part of an approach to reducing car use. One of their recommendations is 'Infrastructure first: for people to make changes there need to be viable alternatives, and they need to feel that they have a choice which goes beyond just car ownership or buses (for example, safe active travel routes or trains)'.[48]

## 6 Transport is the most significant source of carbon emissions in Scotland

Decarbonisation of the transport sector, including fleet electrification, encouraging people towards more sustainable methods of transport and a reduction in car use across Scotland, are anticipated to be some of the most effective drivers in ensuring Scotland meets its Net Zero by 2045 targets. Initiatives such as national car use reduction cannot be effective without appropriate investment in alternatives to cars such as buses, other

forms of public transport and active travel.

Improved transport connectivity between depopulated areas and growth areas as well as within areas is important, for example, linking areas with fewer employment opportunities with areas of economic growth. Good transport links are vital to supporting people into work. This is sometimes termed 'shrinking distance'.

## 7 Learn from successful approaches

There have been pilot projects within Scotland that have made improvements to transport delivery and connectivity. As shown in the examples provided above, where funding has been available, projects such as demand responsive transport have had positive impacts.

There are also international examples that Scotland can learn from.

### Case Study

In Switzerland, one Insight Paper[49] states that the "Swiss public transport network covers almost all the national territory; PT [Public Transport] services, especially by rail, have high frequencies and are considered by the general public to be really efficient and reliable. Switzerland has also one of the highest ratios of public transport trips per capita". The paper goes on to note that "In 2017, the unemployment rate in Swiss rural areas (3.5%) was one of the lowest of Europe". The paper also points to the positive impact the Swiss system has on access to healthcare. The approach includes aligning bus and train service timetables to connect with each other at hubs; and having a minimum bus provision in remote areas.

## 8 Scottish Government has control and responsibility over the rail service in Scotland

Rail is a much faster way for people to be connected between Scottish local authorities and can be a core transport option for some people within a council area too. It also is a more environmentally friendly form of transport than driving. Improved coverage of rail transport, particularly if well-linked with other transport options, is a key area of investment which could improve population spread. Better, faster and more frequent connectivity between more underpopulated and urban centres contribute to the attractiveness of living there.

## 9 Whole System Strategic Approach to Transport Improvement

Transport is an area of opportunity to help improve population balance within Scotland. This should be recognised through investment and strategy which must consider the whole transport picture including support for active travel, buses, ferries, EV infrastructure, rail and essential air travel connecting island communities. This must also reflect the need for local innovation and priorities based on varying geographies and needs.

Strong multi-year investment, focus and strategy relating to transport in Scotland would positively impact on cross-cutting areas of priority shared by Local Government and Scottish Government, including improving population balance, Net Zero targets, population health and wellbeing, increased employment, and more.

# ACTIONS AND NEXT STEPS

As agreed by COSLA and Scottish Government Population Roundtable members, this paper has focused on 3 key priority areas, which are:

**Economy, jobs and workforce**

**Housing**

**Transport**

The paper has emphasised some of the economic, housing and transport challenges faced by those councils experiencing rapid population increases and those in need of critical repopulation. It has explored potential policy solutions and recommendations that could contribute towards improving population balance and preventing the extremes of these population challenges.  The following is a summary of the key recommendations outlined in the paper from each priority area.

## Key recommendations relating to economy, jobs and workforce:

- Support more balanced and inclusive economic growth across Scotland by recognising, encouraging and incentivising more investment across all regions of the country.

- Recognise a place-based approach as essential to effectively addressing population challenges across Scotland, and to ensure decisions and resources are devolved closest to those they affect to counter centralisation of economy and population.

- Scottish Government increase and improve the apprenticeship system with financial incentives, funding and more involvement of employers (including councils as major employers).

- Scottish Government and UK Government recognise the challenges Scottish SMEs in rural areas face in accessing finance, and work with partners to target this issue.

- Scottish Government work in partnership with employers and key stakeholders to better align national and regional skills planning with labour market challenges in Scotland.

- Scottish Government look to maximise our existing potential workforce by providing multi-annual employability funding through No One Left Behind to allow for longer-term planning of services to help tackle the barriers people face to enter and re-enter employment.

- UK Government support the premise of a Rural Migration Pilot.

- Scottish Government ensure that the Scottish Migration Service (SMS) has strong links and works closely with local authorities, employers and partners in areas requiring repopulating and work with them to provide full consideration of how Scotland can attract more working-age individuals from other parts of the UK

- UK Government and Scottish Government draw on international examples that incentivise people to relocate to depopulated areas.

- Scottish Government and UK Government expand the Civil Service workforce footprint and support improvements for remote working, including better digital connectivity and work to tackle digital exclusion.

- Scottish Government, Local Government and key partners work together to better evaluate, monitor and measure policy impact i.e. establish population balance baseline indicators and monitoring framework, so we can measure impact of interventions, and they can be compared and scaled.

- Scottish Government and COSLA explore how we can facilitate events to better share learning, knowledge and expertise in population balance

# Key recommendations relating to housing:

- Rebalance housing development by recognising that population disparities are acknowledged in key housing and planning documents (e.g. NPF4) but this must be followed by evidence-based and appropriately funded actions and interventions.

- Scottish Government work with partners to establish metrics to assess housing policies and programmes, ensuring that they are effective and adaptable to changing needs, e.g. migration and population drivers.

- Scottish Government recognise the need to agree on a long-term, 15-year supply strategy and targets and ensure population balance is recognised and reflected in these processes.

- Scottish Government ensure that housing developments are accompanied by adequate infrastructure investments, including transportation, schools, and healthcare facilities.

- Scottish Government and partners explore legislative powers to restrict the sale of housing in pressured areas for second homes and holiday homes.

- Learning and costings from Addressing Depopulation Action Plan housing pilots, and any potential for expanding to other areas, is recognised and taken forward through both Housing 2040 and Population Programme governance structures.

- Scottish Government and partners work together to better understand the varying levels of homeless applications between council areas to inform our approach long term, and to adequately support those councils experiencing the consequences of legislative change.

# Key recommendations relating to transport:

- Strengthen partnerships including between local authorities, Scottish Government, Regional Transport Partnerships, Transport Scotland, and private contractors to share best practice and coordinate maintenance efforts of key importance.

- The next National Transport Delivery Plan should have specific actions and include funding that aligns with the population intent outlined in the National Transport Strategy 2, with Local Government as central partners in its development.

- Strategic schemes, such as A83 & A9/A96 projects, lifeline ferries, essential air services, train services, and rural bus networks, are viewed as population retention and growth measure, not only transport upgrades.

- There should be an evaluation of the under 22s travel scheme to better understand whether the scheme is helping with the retention of young people after leaving school, and whether there are ways it can be improved to have more benefit for young people living in rural areas.

- Scottish Government must ensure councils receive appropriate and sustainable funding in order for them to take effective, innovative, place-based action toward transport challenges, which can have a positive impact on equalities and better access to wider opportunities.

- Scottish Government recognise transport connectivity and resilience as a cross-policy priority and work in partnership with key stakeholders to learn from successful national and international transport approaches to improve our understanding of what a well-connected Scotland could look like.

It is recognised achieving a more balanced population in Scotland is a long-term goal. This paper acknowledges the complexity of population balance and the many factors that come into play and this paper does not attempt to detail all of the important areas of policy that impact on and are impacted by population balance.

Through our engagement with local authorities and professional associations, some of the other areas of work that have been raised as also requiring focused attention, many of which interrelate, include:

## Family-friendly policies

There is a falling birth rate in Scotland and in 2024 the number of births in Scotland was the lowest since records began in 1855.[50] Work to explore family friendly policies that may support increased fertility rates in Scotland could have a positive impact on population balance.

## Childcare provision

Lack of childcare provision exacerbates population challenges by, for example, making it difficult for some people to access work. Childcare availability can be a key factor for families in deciding where to live. Local authorities have highlighted this as a key concern.

## Health inequalities

The link between living in deprived areas and/or experiencing deprivation and health inequalities is well-documented.[51] How health inequalities influence population challenges is an area that could be further explored.

## Social Care

Access to health and social care services is another factor that can influence people's decisions about where to live. In some island and rural communities, recruitment of health and social care staff can be a particular challenge and one of the influencing factors in how accessible health and social care can be. On the other hand, areas of rapidly increasing population can also face challenges to meet increasing demand, including for GP and dental services.

## Poverty and income inequality

The paper touches on the importance of increasing investment across areas of Scotland. This is interlinked with employment opportunities and poverty reduction and also touches on transport poverty. More work could be done on the impact of income inequality and its impacts on population balance.

## Community development and community resilience

Community development and community resilience should be considered in the context of changes in population size and demographics. There may be initial tensions between existing communities when people are moving into the area, for example movement of people from cities to rural areas, that could require proactive community engagement.

### Humanitarian protection and integration

This paper has touched on migration as one aspect that can influence population balance in Scotland. An area for further development and exploration is how migration and humanitarian protection schemes can be better supported, including through investment in areas that help integration.

### Further and Higher Education

Opportunities for young people post-school whether that be through apprenticeships, college, employment or higher education are essential to retaining young people who want to stay in their local areas or young people looking to move into areas where opportunities are less available or known.

COSLA and Scottish Local Government are committed to working in partnership with Scottish Government, UK Government and relevant stakeholders to take forward the recommendations in this paper, and to continue to gain a deeper understanding of the challenges relating to population balance. We will continue to make the connections between challenges and solutions, including the relevant actors and resources required.

**Strong communities start** **with Local Government**

# Endnotes

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