

Local Authority Chief Executives

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Local Authority Directors of Housing
Local Authority Directors of Planning

14 March 2008

Dear Colleague

New Guidance on the Assessment of Housing Need and Demand

The Scottish Government is committed to the further integration of land use planning and housing strategy through a strengthened national policy framework. The strategic assessment of housing need and demand to provide evidence to inform the development of Local Housing Strategies and Development Plans is a key component of this improved framework.

Following discussion with COSLA, I am writing to inform you that new guidance to support the development of housing need and demand assessments in both urban and rural areas has now been released on the Scottish Government's website (<http://www.scotland.gov.uk/Topics/Housing>). The new guidance promotes an integrated approach to assessments by local authority housing and planning services and will therefore be of strong interest to the housing and planning professions within local authorities. It will also be of interest to a range of other stakeholders involved in the assessment and delivery of future housing supply requirements.

The new guidance is based substantially on strategic housing need and market assessment guidance published last year by Communities and Local Government. It was adapted to reflect the Scottish context and issued in draft form through COSLA to local authority housing and planning interests and selected consultants and academics in September 2007 for feedback. Over 200 responses were received and these have helped to shape the new guidance, which replaces all previous guidance on this topic.

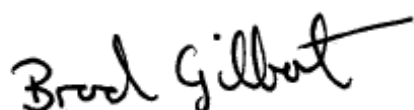
A summary of the guidance was attached to the consultative draft Scottish Planning Policy 3: Planning for Housing (SPP3), which is currently the subject of a consultation exercise running to the end of March. We are making the housing need and demand guidance available now because we have had several requests from local authorities and other parties to make the full guidance available before the SPP3 consultation period ends. In addition, a number of local authorities have called for the guidance to enable them to embark on housing need and demand assessments to inform the development of their Local Housing Strategies.

It is recognised that conducting housing need and demand assessments is a complex and specialist activity. As part of the consideration of the responses to the *Firm Foundations* consultation, we are currently discussing with COSLA how best to support local authorities – specifically housing and planning professions within local authorities – in developing such assessments. While decisions have still to be made, it is likely that Scottish Government support would include a mixture of training events, development and dissemination of statistical data sources, publication of regional market trends, the provision of specialist advice and close working with local authorities to support implementation and to continually improve the service we offer.

After the responses to the SPP3 Consultative Draft have been considered we will decide whether there is a need to make any amendments to the guidance and publish a revised version. In any event, the guidance will be kept under review and, if necessary, refined in the light of experience arising from its use in practice.

In the meantime, if you have any queries in relation to the guidance, please contact Murdo MacPherson on 0131 479 5346 (mail to: murdo.macpherson@scotland.gsi.gov.uk).

Yours faithfully



Brad Gilbert
Head of Housing Market & Supply Policy Team