

Meeting of:	Place Scrutiny Committee
Date of Meeting:	Tuesday, 18 November 2025
Relevant Scrutiny Committee:	Place Scrutiny Committee
Report Title:	Local Lettings Policies
Purpose of Report:	To consider an approach to local lettings in rural areas which balances the need to support existing communities with the Council's obligations to rehouse households who are in greatest need
Report Owner:	Rob Thomas, Chief Executive
Responsible Officer:	Nick Jones - Operational Manager, Public Sector Housing
Elected Member and Officer Consultation:	This report will affect residents across the Vale and therefore no individual ward member consultation has been undertaken. The report has been reviewed by Officers from the Planning, Housing Development, Legal and Finance teams
Policy Framework:	This report is within the Policy Framework and Budget.
Executive Summary: The report considers the use of local lettings policies in rural areas and the impact their use has on the Council's ability to fulfil our statutory obligation, to prioritise and rehouse homeless people.	

Recommendations

1. That Scrutiny considers approaches to classifying rural housing developments and the use of local lettings policies.
2. That Scrutiny considers a proposal that in future, local lettings policies should continue to be applied on rural exception sites and in minor rural settlements and these policies remain in perpetuity i.e. for future relets of existing social rented homes.
3. That Scrutiny consider the merits of a cascade/ staged approach to be utilised in future for all new lets which are not on rural exception sites or within minor rural settlements. This would give households with a local connection and acute housing need, priority in the first phase of lettings on new housing developments. Subsequent lettings would be via the housing waiting list.
4. That feedback from Scrutiny informs the final proposal to be considered for approval by Cabinet.
5. That the list of minor rural settlements where local lettings policies would apply, be reviewed following the adoption of the Replacement Local Development Plan.

Reasons for Recommendations

1. To provide clarity regarding the application of local lettings policies.
2. To ensure that homes are let in accordance with planning requirements and homes in minor rural settlements are available to applicants with local connections to that area.
3. To ensure that the Council can balance the need to support and sustain rural communities with the Council's obligations to rehouse households in greatest need, including homeless people and that social housing is accessed by households with a recognised housing need.
4. To ensure there is detailed scrutiny of the proposed approach to local lettings.
5. To ensure consistency with the Council's latest planning policy framework.

1. Background

- 1.1 The Council currently operates a range of local lettings policies (LLPs) in rural parts of the Vale of Glamorgan. These LLPs sit underneath the overarching Housing Allocation Policy (Homes4U) and set out how homes are allocated on specific housing developments. LLPs give weighting to local connections, giving existing residents, and those with strong community connections to a local area, a priority to access social housing.

- 1.2** LLPs have been used on two types of sites. The first type is commonly referred to as 'rural exceptions sites' (RES) – these are minor rural sites outside of a defined settlement boundary, as defined by the adopted Local Development Plan (LDP) but having a distinct physical or visual relationship with the settlement. RES's are small in scale and provide 100% affordable housing. They would only be permitted where the proposal meets an identified need and are prioritised to those with a local connection. There are currently around 50 homes on 6 developments which were let subject to a rural exceptions policy.
- 1.3** The second type of site is where affordable housing has been secured as part of section 106 agreements, on allocated and windfall sites, within existing settlement limits in wards considered to be rural. This includes local the following developments: Clare Village, Cowbridge, Cog Road, Sully etc. Each LLP was agreed with the community council prior to the homes being completed and the LLPs currently remain in perpetuity, not just for the first phase of lettings after the homes are built. Whilst LLPs ensure people have strong local connections to areas, they can result in households in lower housing need accessing social housing.
- 1.4** The Affordable Housing Supplementary Planning Guidance (SPG) makes reference to rural housing but refers only to RES, where it may only be possible to provide housing of an appropriate scale on sites outside the existing built-up area. At RES's, permission is granted solely for affordable dwellings that are built to meet the identified housing needs of the immediate village or community ward within which the housing is proposed. Before the Council will grant planning permission for affordable housing on a rural exception site, it must be satisfied there is an evidenced need for affordable housing in the locality. LDP Policy MD10 sets out criteria against which these proposals are assessed.

POLICY MD10 – AFFORDABLE HOUSING DEVELOPMENTS OUTSIDE SETTLEMENT BOUNDARIES

Small scale affordable housing developments will be permitted outside settlement boundaries where they have a distinct physical or visual relationship with an existing settlement and where it is demonstrated that:

- 1. The proposal meets an identified local need which cannot be satisfied within identified settlement boundaries;***
- 2. The number of dwellings is in proportion to the size of the settlement;***
- 3. The proposed dwelling(s) will be of a size, tenure and design which is commensurate with the affordable housing need;***
- 4. In cases where the dwelling is to be provided by either a private landlord or the intended occupier, secure mechanisms are in place to ensure the property shall remain affordable in perpetuity; and***
- 5. The development has reasonable access to the availability and proximity of local community services and facilities.***

1.5

1.6 In addition, it is expected that Rural RES's will:

- Comply with local and national planning policy;
- Be of a scale appropriate to the size and character of the individual village concerned and the level of services and facilities available in the village;
- Demonstrate that the affordable housing could not reasonably be provided elsewhere on a site allocated for residential development.
- Undertake consultation with the community council and local residents.
- Be subject to a "local lettings and sales policy" developed in partnership with the local Community Council (see below) and remain affordable in perpetuity.

1.7 RES's must be subject to a local lettings policy which remains in perpetuity. It should be noted however, the majority of new developments, where local lettings policies have been used are not considered to be RES, but form part of S106 obligations on large market sites.

1.8 Accepting that local lettings should remain in place at RES, there is a need to clarify if and when local lettings policies will apply in respect of affordable housing secured on allocated sites and windfall sites within existing settlement boundaries.

2. Key Issues for Consideration

- 2.1** Sustaining existing rural communities
- 2.2** It is recognised that there are barriers which prevent people who have grown up in rural areas from being able to stay. A key barrier is access to affordable, suitable accommodation and this can result in people being forced to move away, threatening the future sustainability of some rural areas.
- 2.3** The Council has been part of the Welsh Government Rural Housing Enabler project, employing a dedicated Rural Housing Enabler to work proactively with a range of partners to identify and bring forward opportunities for affordable housing to be built in rural areas. A number of successful RES housing developments have been built over the last 10 years including Cwrt Canna, Pentre Meyrick, The Herberts, Twyn Y Odyn.
- 2.4** Local lettings policies ensure that households with a strong local connection are considered for affordable housing and can remain living in rural areas. There are currently a number of different local lettings policies in place across the Vale of Glamorgan operating as RES, as well as on other allocated housing sites within existing settlement boundaries. The differences between each LLP are fairly minor and there is a case to consider standardisation, in agreement with Community Councils, to achieve consistency.
- 2.5** The current LLPs are not time limited for a fixed period after the homes are built, which means that relets of existing properties are made to local people in perpetuity. This needs to remain the case for RES however there is an argument for restricting the period LLPs operate at other sites e.g. for first phase of lettings only.
- 2.6** Rapid Rehousing to tackle the current homelessness crisis.
- 2.7** The Council is currently dealing with a Housing Crisis. This is resulting in high numbers of people being unable to secure accommodation that is suitable for their needs. Consequently, the Council is receiving increased number of applications for social housing and also high number of people presenting as homeless with nowhere to live.
- 2.8** When people find themselves homeless, the Council has a legal duty to assist and, in many cases, provide emergency temporary accommodation. Emergency, temporary accommodation can be in the form of hotels and hostels. Given the shortage of available housing, the Council has to enter into contracts with commercial providers including hotel companies, which create significant cost pressures. In the Vale of Glamorgan there are typically around 240 households, living in temporary accommodation.
- 2.9** The Council's Rapid Rehousing Plan (RRP) is designed to minimise the use of temporary accommodation, given its suitability and the costs incurred. A key element of the Rapid Rehousing Plan is supporting homeless people to move on

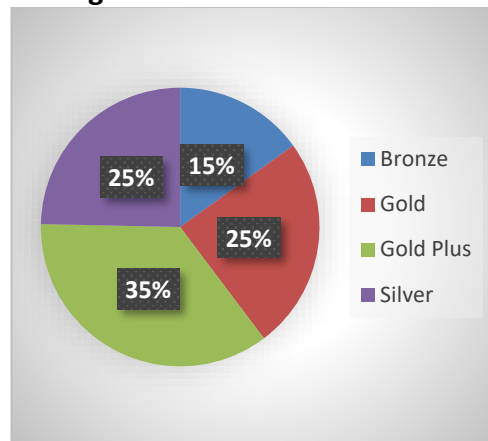
swiftly into longer term accommodation. Of course, this is subject to suitable housing being available and whilst the Council and partner RSLs are building new homes, this is insufficient to meet demand. Another element of the RRP is to ensure those households in greatest need access accommodation. Adopting a more flexible approach to local lettings would assist with this, by removing barriers for people without a local connection to some areas.

- 2.10** It is recognised however that some rural communities are not well connected via transport and there may be limited services and amenities, which make it difficult for people to settle, in particular, people without access to their own transport. It is also recognised that there is a need to build balanced communities including people who want to or need to live in rural areas.

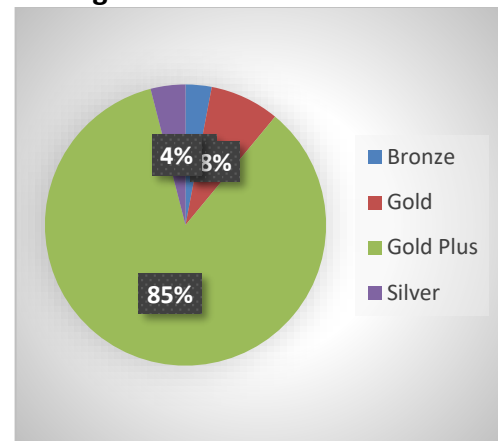
2.11 Impact of existing LLPs

- 2.12** The existing Local Lettings Policies can result in applicants with lower housing need, being rehoused. The following graphs compare the lettings of homes subject to LLPs, with homes let via the general waiting list. Where there are LLPs, 40% of homes are let to applicants with bronze or silver bands and just 17% of lets were made to homeless households. Where there are no LLPs, 93% of lets were to people with Gold Plus or Gold bands and 70% of lets went to homeless people.

Lettings where there are LLPs



Lettings without LLPs



- 2.13** Analysis has also been carried out of past lettings at three larger s106 schemes, in Cowbridge, Sully and St Athan. This provides an insight in terms of the impact of LLPs on who is being rehoused. Of the 168 lettings, 16% of homes went to applicants with on the highest priority band (Gold Plus), 24% went to applicants with a Gold band, 30% went to silver bands and 30% bronze banded applicants.
- 2.14** In terms of local connection, 82% of lets at the three housing developments went to households with a band 1 connection (the strongest connection).
- 2.15** The analysis shows whilst there is significant demand from local people, just 40% of the new properties were let to people in the most acute housing need bands

(Gold + and Gold). Also, 30% of the homes went to households in no recognisable housing need i.e. bronze bands. Examples of this would be households previously living in affordable private renting accommodation who were able to move into a social rented property or people transferring from an existing social rented property into a newly built social rented property.

2.16 Future use of Local Lettings Policies

2.17 In terms of establishing on where, LLPs will apply in future, it is suggested they will continue to operate at rural exception sites and on units secured through Section 106 agreements on allocated and windfall sites within minor rural settlements.

Rural Exception sites	Within minor rural settlements	All other areas inc key settlement, service centre settlements and primary settlements
• Local Lettings Policy gives priority to applicants with local connection • Local Lettings Policy remains in perpetuity, applying to all future relets	• Local Lettings Policy gives priority to applicants with local connection • Local Lettings Policy remains in perpetuity, applying to all future relets	• Cascade approach gives priority to applicants with a local connection and highest housing need first followed by applicants in high housing need without a local connection: • Cascade approach only applies to first lets in new housing developments. Future relets are made without reference to local connection

2.18 Rural Exception Sites, few in number and small in scale are promoted for 100% affordable housing. There is a requirement in both national planning policy and at the local level, in the adopted LDP, that these sites should be subject to an LLP to ensure that they are addressing local need. Existing and new RES must therefore be subject to LLPs, and these must remain in place in perpetuity

2.19 Minor rural settlements are classified within the following settlement hierarchy which forms part of the Adopted Local Development Plan. These are smaller villages.

Type of settlement	Town/ village
Key Settlement	Barry
Service Centre Settlements	Cowbridge, Llantwit Major and Penarth

Primary Settlements	Dinas Powys, Llandough (Penarth), Rhose, St. Athan, Sully and Wenvoe
Minor Rural Settlements	Aberthin, Bonvilston, Colwinston, Corntown, Culverhouse Cross, East Aberthaw, Ewenny, Fferm Goch, Graig Penllyn, Llancarfan, Llandow, Llanmaes, Llysworney, Ogmere by Sea, Pendoylan, Penllyn, Peterston Super Ely, Sigingstone, Southerndown, St Brides Major, St Nicholas, Treoes, Wick and Ystradowen

- 2.20** At schemes within minor rural settlements, LLP's would continue to apply with local connection being prioritised over housing need. It is proposed that LLPs would remain in minor rural settlements in perpetuity.
- 2.21** In all other areas, it is proposed to adopt a cascade/staged approach where people with strong local connections and high need would be prioritised:
- Priority 1: Gold Plus or Gold with local connection
 - Priority 2: Gold Plus or Gold with no local connection
 - Priority 3: Silver with local connection
 - Priority 4: Silver with no local connection
 - Priority 5: Bronze with local connection
 - Priority 6: Bronze with no local connection
- 2.22** The cascade/ staged approach would only apply during the first lets at new housing developments outside of minor rural settlements. Subsequent relets would not take account of local connection and homes would be let to the applicant in greatest housing need, as defined by the Council's Housing Allocations Policy (Homes4U).
- 2.23** It is proposed that changes agreed to local lettings, including where they are used and how they operate, are applied to current and future housing developments. This includes existing LLPs on sites not in minor rural settlements. There would therefore be a need to consult with community councils regarding existing LLPs, so that members are aware of the changes and why they are being made.
- 2.24** This approach would not impact existing tenants who have already secured social housing via a LLP, however it would mean that future vacancies at developments in larger settlement areas, would not be let via a LLP and could be accessed by applicants in most acute housing need.
- 2.25** The Council is currently preparing a Replacement Local Development Plan (RLDP) for the period 2021-2036. Part of the strategy for the RLDP is to allow for small

scale affordable housing led development in settlements outside a defined Strategic Growth Area, at a scale proportionate to the size of the settlement and it is anticipated that affordable housing led allocations, with a minimum of 50% affordable housing, will be included within the Deposit RLDP. There has been some reclassification of settlements in the settlement hierarchy as part of the RLDP process and it may therefore be necessary to review the list of settlements within which LLPs would apply once the RLDP has been adopted.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

Long term

- 3.1** The proposed approach seeks to achieve a balance between the needs of people in existing rural communities and also the requirement to help those in greatest need. Whilst there is a need to minimise use of temporary accommodation, it is key that future housing developments are sustainable.

Prevention

- 3.2** Safe, secure affordable housing is key to enabling citizens to achieve a good quality of life. Good quality housing also links to good health and educational outcomes addressing poverty and inequality.

Integration

- 3.3** The development of new housing requires changes to community infrastructure to ensure residents have access to key services including school places and primary health care. The Council's approach to Planning and Placemaking is designed to ensure that a broader view of Place is taken and that towns evolve and grow in a sustainable manner.

Collaboration

- 3.4** The Council works closely with a range of partners to increase the supply of new housing. This includes Registered Social Landlords and House Builders as well as close liaison with internal Council Departments including Planning and Neighbourhood Services. Collaboration with Community Councils is also important in order to understand local pressures and issues and get positive engagement from local people.

Involvement

- 3.5** Feedback from residents helps inform priorities around what homes are needed and where. Data around housing needs is informed by the Council's Housing waiting list as well as households' area preferences. It is important that future homes meet people's needs.

4. Climate Change and Nature Implications

- 4.1** The construction of new homes is carried out to required standards, which include a strong focus on the Environment and carbon reduction.
- 4.2** Rehousing people close to family and support networks reduces transport levels.

5. Resources and Legal Considerations

Financial

- 5.1** There are financial implications to the Council of using temporary accommodation for homeless people. The cost of using hotels and bed and breakfast accommodation are high and increased need for this form of provision creates a significant cost pressure on the Council.

Employment

- 5.2** There are no direct employment implications arising from changes to Local Lettings Policies.

Legal (Including Equalities)

- 5.3** The Welsh [Allocation of accommodation and homelessness: guidance for local authorities](#) provides for local connection policies and local letting policies which might address:
- 5.4** Dealing sensitively with lettings in rural areas to sustain communities by giving priority to those with a local connection to the area.
- 5.5** Sustaining Welsh-speaking communities by giving priority to those in housing need with a local connection to the area.
- 5.6** Access to housing can also be limited via Planning. The Welsh Government made changes to legislation in September 2022, to give Local Planning Authorities (LPA's), the power to "tackle the issue of second homes and short-term lets".
- 5.7** Planning Policy Wales requires LPAs in Wales to "[develop policies to meet the challenges and particular circumstances evident in their areas](#)". These can include occupancy restrictions where there is "clear and robust evidence" for them.
- 5.8** [Technical Advice Note 2 \(TAN 2\), which supplements the PPW](#), sets out restrictions on the use of occupancy criteria.

6. Background Papers

None