

Invitation to bid for pilot **local development orders (LDO) support**

The **Planning Advisory Service**, in association with the **Department for Communities and Local Government**, is looking for local planning authorities wishing to participate in the second round of a pilot support project to establish local development orders (LDO).

As our first pilot authorities have found, LDOs can be a useful tool to encourage achievement of policy objectives such as a masterplan, a design code, increased carbon reduction measures, flexibility between use classes in town centres and community engagement.

The support project offers participating authorities the opportunity to work with other pioneering local planning authorities and to receive financial support to establish the LDO.

[You can find out more about setting up and using Local Development Orders from our website.](#)

If you have a location where an LDO is just the tool you could use to encourage development at this time please get in touch with me for an informal discussion.

Details of the support project and a briefing that you can draw on for your internal reporting are included below.

I look forward to hearing from you with an indication of interest by **8 February 2010**.

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1. The Pilot Support Project

1.1 Why is the project running?

LDOs are being looked at afresh for three reasons:

- There has been a clear focus from Government to examine how the burden of making planning applications can be reduced through both process-improvements and removal of the need for planning permission where this is appropriate and proportionate.
- The Killian Pretty Review (2008) reinforced the need to promote the potential role of LDOs as a tool for achieving a reduction in planning applications where this is both appropriate to the local environment and brings benefits to customers and local authorities.
- An important provision in the Planning Act 2008 makes it easier for local planning authorities to introduce LDOs. The 2008 Act made provision for the removal of the requirement that LDOs should be made to achieve policies set out in adopted local development documents.

Entec UK Ltd undertook research on behalf of the Planning Advisory Service which aimed to understand the views of local planning authorities on Local Development Orders (LDOs) – their potential uses and how they might be introduced. The report can be viewed at www.pas.gov.uk/pas/core/page.do?pagelid=112066

The research found LDOs could potentially provide a proactive management tool in a variety of development situations to meet development and regeneration objectives. The potential for LDOs to make a valuable contribution to a modernised planning system was recognised.

Where authorities were already considering LDOs, there is a view of that the process for preparing an LDO appears to be straightforward and the net additional costs over existing LDF based consultation will be minimal. The flexibility afforded through the LDO if delivered in the form envisaged may be incentive enough to prepare one.

LPAs surveyed during the research study thought a much better understanding of what is involved in creating a LDO and the associated costs and benefits would help to improve the attractiveness of LDOs. So now the pilot support project is to test these ideas.

The first round of pilots has provided a framework for demonstrating how benefits from LDOs can be secured and shows LPAs how they can minimise the risks they have foreseen from LDOs. Pilot LDOs will draw out good practice and inform further guidance based on experience. Financial incentives are being provided to encourage LPAs to dedicate the resources required to introduce LDOs. The pilot authorities have put together a list of top tips for other authorities considering using an LDO to encourage development in their area. [LDO top tips from the pilot authorities](#)

1.2 What is its objective?

The overall project objective is to evaluate the LDO tool as a practical and viable approach to determining planning applications and achieving local development objectives.

- Pilot LDOs to cover a range of policy issues.
- Pilot authorities working with their partners to share their experience with government and with the other LPAs.
- Recommendations on how the use of LDOs can be made more effective to be made to government.

1.3 What is the support on offer?

- Advice and support from CLG and PAS;
- A forum of the pilot authorities to share experiences between themselves and with other interested LPAs as the project progresses;
- Funding to meet specific costs such as community engagement, formal consultation, master planning, preparation of design codes. (Up to a maximum of £15,000 depending of level of need and number of interested pilot authorities)
- Project planning advice to prepare a bid (if sufficient interest) and to manage the project following selection.

1.4 Who would be a suitable candidate?

Candidate pilot authorities are likely to be those who already have a specific policy objective in a defined locality, who may have started to consider an LDO, and where there is strong local member and community support for taking a development management approach to planning.

A candidate may apply with a partner organisation such as land owner/developer or local community who would be willing to take a joint lead role in establishing the LDO.

1.5 Selection process

A range of pilot authorities covering a range of themes will be chosen by PAS in consultation with CLG and the project steering group. Potential LDOs might address the following themes:

- Serial minor developments in self contained areas;
- Strategic development on a large site;
- Minor development across a wide area to achieve policy objectives;
- Campus/single ownership sites;
- Mixed development in a defined area e.g. a town centre.

Pilots may be seeking to meet key policy objectives on:

- Economic support
- Low carbon development
- Renewable energy
- Town centres and vacant shops
- Housing
- Design quality

Ideally, pilots should seek to cover a range of potential community involvement dimensions, including:

- 'Self-contained' communities of interest eg business parks or campuses
- Dispersed communities of interest eg specific developments over a larger defined LDO area.
- Mixed communities, for example where an LDO might stimulate development to aid regeneration, with a number of distinct communities of interest eg lead developers, local communities, public sector landowner etc (or town centres)

The selection criteria are:

Effectiveness of LDO in terms of efficiency in determining planning applications, achieving policy objectives and management of development (25%) eg.:

- achieving a reduction in planning applications where this is both appropriate to the local environment and brings benefits to customers and local authorities;
- providing a proactive management tool;
- level of approval of an existing specific policy objective in a defined locality

Relevance of pilot as a demonstration project applicable to other local planning authorities. (10%) eg:

- Use in relevant development situations to meet development and regeneration objectives across a range of policy issues;
- Ability to demonstrate how benefits from LDOs can be secured and will show other LPAs how they can minimise risks.

Partnerships (15%) eg:

- Strength of local member and community support for taking a development management approach to planning;
- Level of involvement of LPAs + development partners in the development subject of the LDO;
- A candidate may apply with a partner organisation such as land owner/developer or local community who would be willing to take a joint lead role in establishing the LDO.

Participation (10%) eg:

- Willingness to contribute to an action learning set – a forum of the pilot authorities to share experiences between themselves and with other interested LPAs as the project progresses;

Resources (15%) eg:

- Funding in place to meet specific costs such as community engagement, formal consultation, master planning, preparation of design codes and how the pilot funds would be used.
- Capacity to set up and implement LDO.

Timeliness (25%)

- Pilots will be required to make an immediate start on the process with the aim of being a substantial way to adoption within a year.

1.6 **Guidance on submitting a bid**

Your outline project brief will describe:

- the policy objectives of the proposed LDO;
- the degree of support for the policy (development plan or informal support);
- work undertaken to date to meet policy objectives eg design code, development brief, planning consents;
- the partners/stakeholders involved;
- An indicative business case (cost benefit analysis);
- Outline resource plan;
- Timetable with key milestones;
- Degree of member support and process for agreement to pursue LDO preparation;
- Risk analysis
- Level of support required.

1.7 **Timescales**

- An early indication of interest should be received by PAS by 8 February 2010;
- PAS will request an outline project brief from potential pilot authorities in mid February;
- An outline project brief to be submitted by mid March;
- Offer to be made end of March.

For a discussion on this project and to express interest in being a pilot authority please contact:

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2. Understanding LDOs

2.1 What is an LDO?

An LDO grants permission for the type of development specified in the LDO and by so doing, removes the need for a planning application to be made.

LDOs were based on a recognition of the cost (time and money) and uncertainty felt by businesses engaging in the planning process to make planning applications for developments which have an insignificant impact on neighbours or were limited to inside the confines of the site (eg a business park). Given the perceived low impact arising from these developments, the question was asked, 'why do businesses need to submit to the risk of entering the planning process for permission?'

It was argued that planning permissions considered serially could actually work against achieving quality from many small-scale developments coming forward for permission against generic development control policies. It was suggested that a more effective framework of control could be to shift to a form of development management based on an agreed framework for development in that specific location, incorporating development limits, design guidance and other supporting guidance. Proposals coming forward within such a framework could have the requirement to secure planning permission removed.

LDOs were introduced through the Planning and Compulsory Purchase Act 2004. Circular 1/2006 provides guidance to local planning authorities on the procedural steps for the preparation of LDOs. The Circular provides guidance on the relationship between LDOs and the development plan, and sets out the developments which cannot be included in LDOs. It also provides guidance on the requirements for Environmental Impact Assessment of LDOs. The Planning Act 2008 includes a provision to remove the requirement for LDOs to implement the policies contained in an adopted development plan.

2.2 When might it be used

Research carried out by Entec for the Planning Advisory Service has considered scenarios where LDOs might be most effective. Their full report can be seen at www.pas.gov.uk/pas/aio/106047

LDOs could potentially provide a proactive management tool in a variety of development situations. These have been raised by stakeholders who can see the potential for LDOs to make a valuable contribution to a modernised planning system.

The following table summarises the opportunities for the application of LDOs, it is not intended to be exhaustive but only intended to illustrate the potential for their use.

2.3 Potential LDO Opportunities

| Development context | Scope |
|---------------------------------|--|
| Regeneration sites | To provide a flexible framework to stimulate development of major sites. This could potential permit larger scale development through an LDO subject to masterplan, design guidance and other conditions and obligations. Would require investment in the supporting guidance and a range of other planning documents (S106, Conditions) to provide an appropriate framework to guide strategic development. |
| Business Parks | LDOs could work in Business Parks where the introduction of a degree of flexibility in uses could meet market demand or for a specified list of minor developments where impact is contained within business park. Owners of business parks, could provide a more certain and flexible environment for their tenants as a marketing initiative. Could lead to occupation of vacant premises, |
| Residential areas | To permit minor extension developments on largely uniform dwelling stock conforming to agreed design parameters. Also, an LDO could permit minor development works, for example windows replacement programme, across an authority's or social landlords housing stock. |
| Education and hospital campuses | An LDO could permit minor development occurring within campus. It could also provide a more strategic framework for development of campus buildings over time to implement university or hospital trust investment plans. |
| Schools | An LDO could provide a framework to allow minor development occurring within campus. This might require further consideration given the potential public concern of local authorities permitting their own development. |
| Town Centres | An LDO could allow changes between town centre use classes, and potentially minor changes in street furniture & signage. Flexibility over change of use in town centres might help to maintain occupancy of key frontages. |
| Conservation Areas | There is potential for LDOs extending permitted development rights in whole or in part within Conservation Areas. The LDO would have conditions and design guidance attached to it to provide locally relevant design parameters for permitted development. |
| Minerals sites | A LDO could be used to broaden the application of 'permitted development' rights, for example to allow extensions of buildings. Unique characteristics of each extraction site make it difficult to prescribe general conditions to attach to a LDO. Majority of larger proposals would fall outside scope of LDO due to requirement for EIA. |
| Climate Change | <p>An LDO could be used to</p> <ul style="list-style-type: none"> • permit development of a wide range of householder and micro-renewable installations across some or all of a local |

| Development context | Scope |
|---------------------|--|
| | authority area; <ul style="list-style-type: none"> • provide a framework permission for the installation of district heating networks based on an existing generation station to serve existing housing; • provide a framework-permission for a decentralised area network for generating facilities to serve several development sites and/or existing housing; • upgrade of existing properties particularly where these are controlled by a single landlord. |
| Waste | An LDO could broaden the application of 'permitted development' rights, to allow changes of use or extension to operations or to allow layout changes or other minor developments. Similar to minerals sites, the unique characteristics of waste sites could make it difficult to prescribe general conditions to attach to a LDO. |
| Green Belt | A LDO could allow the change of use of land where this did not conflict with the objectives or purpose of its inclusion in Green Belt thereby allowing appropriate new uses. May provide the opportunity to enable appropriate use of vacant or derelict land. Alternatively could encourage appropriate use for recreation, nature conservation etc |

The Entec research report looks into a selection of scenarios in greater detail.

2.4 What is the procedure to establish and run LDOs?

The process governing the preparation and implementation of Local Development Orders is set out in Circular 01/2006. The Circular established the key components of the LDO process which must be followed by local planning authorities (LPAs). The process is relatively straightforward.

The LDO process gives LPAs the opportunity to establish permissions for specific classes, types or individual developments within a specified area. They have the ability to define parameters for development and to set out exceptions, or specific rules that must be followed before development commences.

The process allows for a range of supporting LDO documents to be produced and provide a more detailed framework to guide development under the LDO. These can be requirements or conditions which must be fulfilled. A range of potential tools can be used, including design guidance, planning conditions and Section 106 agreements. LPAs will need to factor into their planning, the time and resources required to prepare and adopt such documents.

By and large there should be opportunities throughout the LDO process to integrate LDO preparation with other plan-related activities, and opportunities to involve other stakeholders and developers/landowners who may benefit. In particular, LPAs should aim to integrate monitoring and enforcement activity associated with LDOs into their wider approaches.

The Entec research report looks at each stage of preparation and considers practicalities. The project plans and progress reports on the five initial LDOs are on the PAS website at <http://www.pas.gov.uk/pas/core/page.do?pagelId=114302#contents-2>

2.5 Are they the best tool in the tool box?

In the main, LDOs would appear to be most effective when accompanied by some bespoke/specific (to the LDO area) guidance which acts as a framework for the development permitted by the LDO. The specific mechanism adopted will vary according to the situation. All have a time and resource implication which local planning authorities will factor into their consideration of LDO potential. The list below sets out some tools which could potentially play an important role in supporting LDO identification and delivery.

Design codes are an approach to delivering improved quality development. They help to plan proactively for better design, investing resources upfront to help streamline later processes. Design codes are a distinct form of detailed design guidance comprising a set of written and graphic rules that establish with precision the two and three dimensional design elements of a particular development or area.

Supplementary guidance is used to support statutory development plans, not as an alternative. Statements made in supplementary guidance carry less weight than those in the development plan in determining planning applications and appeals but are likely to be material considerations. Supplementary guidance can take the form of design guidance, development briefs and village design statements, as well as that formally adopted as Supplementary Planning Documents as part of the LDF.

An **Area Action Plan** is a development plan document focused upon a specific location or an area subject to conservation or significant change. It is required to focus on implementation, providing an important mechanism for ensuring development of an appropriate mix and quality for key areas of opportunity, change or conservation. It is also required to outline protection for areas sensitive to change and aim to resolve conflicting objectives in areas subject to development pressures.

A **master plan** sets out proposals for buildings, spaces, movement strategy and land use in three dimensions and match these proposals to a delivery strategy. Masterplans are produced where the scale of change is significant and the area subject to change is more than a few buildings

A **Village or Town Design Statement** is a practical tool to help influence decisions on design and development. They can provide a clear statement of the character of a particular village or town against which planning applications may be assessed. It is not about whether development should take place, but about how development should be

undertaken so as to respect the local identity.

2.6 Does the Business Case stack up?

In evaluating a business case for LDOs, LPAs will need to consider a range of factors, including the important community and policy objective benefits that could be achieved against the resource requirements for preparation and ongoing management. LPAs will need to consider carefully the scope and area of the potential LDOs in order to understand the amount of preparation that may be required, which could include a range of supporting guidance, conditions and agreements.

At all stages there could be opportunities to off-set the costs of preparation through linking LDO to other activities and by sharing costs with key partners/stakeholders. The scope for this will depend on the circumstances of the LDO. Areas or sites which already are subject to strategic focus by an authority and / or by landowners, developers or other institutions may have in place specific guidance which can be attached to an LDO. Forums may already exist with which dialogue about LDO potential can be explored. Partners may be willing to take on key roles to develop the LDO with or for the LPA. Elsewhere, LDOs may require significant new investment by the LPA to create support for the LDO, provide guidance and progress the LDO. Alternatively, LPAs may decide to take a very specific and detailed approach to developing LDO over a wider area, accomplished without supporting guidance.

LPAs will need to manage the risks of allowing process flexibility over control of development against the potential impacts arising from it. They will need to weigh the relative cost benefits and policy impacts.

2.7 Business Case template

Entec drafted a template which might be of help for LPAs to personalise in preparing your business case for an LDO. Candidate Pilot authorities may find this a useful tool for considering the initial and ongoing cost/benefits in your own circumstances, in particular in estimating the resources to bid for, the timescales involved and the policy outcomes.

2.7.1 Cost/Benefit Factors in the Preparation of LDOs

| Stage | Notes | Balance of costs to LPA |
|--------------------------|--|--|
| Research to identify LDO | Time and research costs associated with identifying and defining the LDO opportunity, boundary, parameters for permitted development | Net cost off-set by partner contribution or existing work. |
| Informal Consultation | Work with community and users of planning services, in a specific LDO context | Probable net cost increase unless the LDO area is already an area benefiting from informal/formal forums for |

| Stage | Notes | Balance of costs to LPA |
|---|---|--|
| | | policy development |
| Statement of Reason | Report to set out details of objectives and purpose of LDO | Minimal cost increase |
| Draft LDO | Specific parameters and development limits, design and other guidance. | Probable net cost increase unless the LDO area might otherwise have other SPDs or other planning document written for it |
| Environmental Impact Assessment | Formal scoping of issues for EIA significance and Environmental Statement if required. | Net cost increase unless developer / landowner pays for it |
| Formal Consultation | Formal consultation on Draft LDO, consulting statutory consultees and other interested parties | Potential to include with other consultation activities to minimise costs |
| Secretary of State Consent, Register and Adoption | Limited activity awaiting confirmation of order or further information or rejection | Minimal Net cost increase. |
| Amendments to LDO | If required at later stage | Net cost increase |
| Supporting Guidance/Tools | | |
| Further guidance | Eg Design Code, Village Design Statement, masterplan, Supplementary Planning Guidance, other SPD | There might already be planning initiatives and guidance documents capable of adaptation/use attached to an LDO. |
| Section 106 | Negotiated agreement to secure actions to mitigate impacts and secure community benefits from developments occurring under the LDO. | New cost off-set by savings in LPA interaction on each development thereafter. |
| Planning Conditions | A set of requirements which must be complied with in order for development to be permitted under the LDO. | New cost off set by savings in LPA interaction on each development thereafter |

2.7.2 On-going financial cost and benefit factors associated with LDOs

| Stage | Notes | Balance of LPA costs |
|---------------------------------|---|----------------------|
| Planning application processing | How much planning application processing cost arises currently within the LDO boundary and how much is estimated to arise following implementation of the LDO | Net cost reduction |

| | | |
|--|--|--|
| Planning application fees | How much planning application income arises currently within the LDO boundary and how much is estimated to arise following implementation of the LDO | Net income reduction |
| Lawful Development Certificates application processing | How much LDC processing costs arise currently within the LDO boundary and how much is estimated to arise following implementation of the LDO | There will be some current costs & depending on clarity of rule, CLUD applications could rise |
| LDC fees | How much LDC income arises currently within the LDO boundary and how much is estimated to arise following implementation of the LDO | There will be some income currently which could increase with increase in applications |
| Giving planning advice | How much cost arises from giving planning advice to potential applicants of the planning process? | There will be an on-going cost to this which could be expected to increase initially unless managed by site manager. |
| Monitoring activities | How much cost arises from monitoring development activity within the LDO and what is the cost anticipated once the LDO is in force? | Higher costs initially in order to monitor impacts |
| Annual Report on LDO | How much cost will arise from the preparation of an AMR for the LDO? | No cost if incorporated into existing AMR |
| Enforcement Actions | How much cost arises currently from enforcement actions within the LDO boundary and how much is anticipated to arise once the LDO is in force? | Will be current on-going costs on enforcement; depending on clarity of LDO, enforcement issues could change |