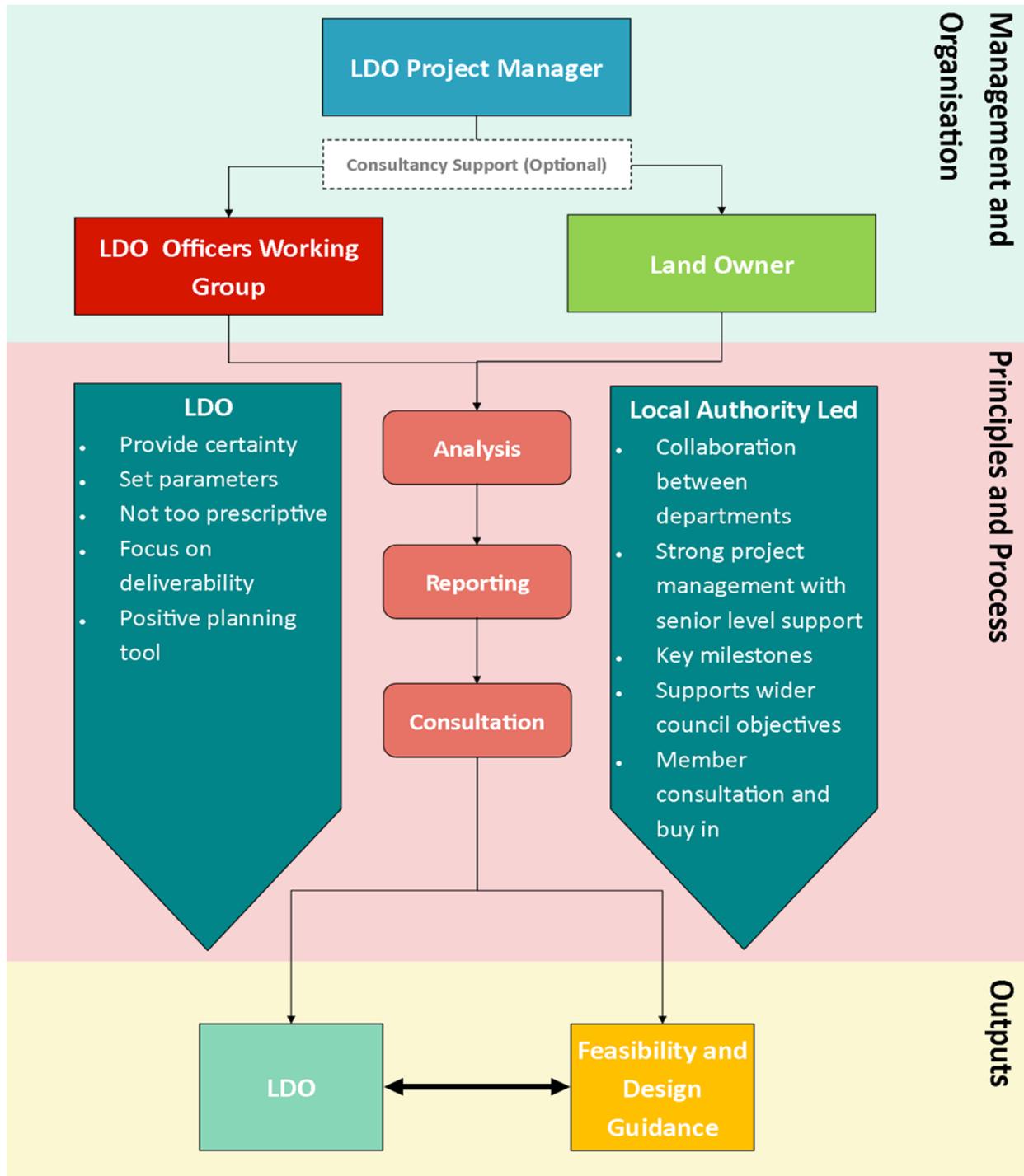


4. Managing the making of an LDO

The diagram below illustrates aspects of how the process of developing an LDO can be managed by a LPA. It sets out objectives, participants, evidence and outputs. The following section draws on the experience of the pilots to discuss how these LPAs approached the various parts of the process.



4.1 Deliverability

What distinguishes the LDO approach from more traditional forms of pro-active planning, such as area action plans, planning briefs and masterplans is the importance of ensuring that the

development for which permission will be given is **deliverable** in the timeframe; typically 5 years for the LDO pilots. An LDO for either a regeneration or a stalled housing site will take significant resources to set up, so it is essential that this effort and investment is based in an early understanding the market conditions and development economics for the specific site.

Effectively, the planning authority needs to step into the world of the developer to understand development viability.

Viability studies informing the range of potential permitted uses and scale/form of future development will be the foundation for this. The purpose of the market assessment is to better understand development values, demand for various potential uses along with potential rent, yield and capital values. They should establish what uses are suitable in market terms for bringing the site forward, and will set the parameters for drafting the LDO. The market evidence base should assess the alternative options for the site and help the council to design an LDO that reflects a viable development for the site.

This evidence is likely to be provided by external consultants appointed by the Council. This is especially useful in order to understand national trends or to explore commercial opportunities. But Councils may already be gathering much of this information as part of their local plan making activities. Much of the local market evidence is available through talking to local businesses, development agents and contacts, thus reducing cost while increasing working knowledge of the local development market.

A comprehensive viability report was undertaken by consultants for the Brunswick Street LDO in Teignmouth. The commission required the consultants to:

- explore demand for a basket of appropriate potential uses in the local market, whether there was appetite of investor to deliver them, and finally whether these uses would be likely to create sufficient development value to ensure that the land would be available for those investments,
- consider the viability of a variety of uses based on the quantum and mix of development to create options for inclusion in draft design and feasibility guidance and
- test alternative options for deliverability.

The viability work is also important in identifying a delivery strategy for the scheme set out in the LDO. The viability work undertaken for the Teignmouth LDO identified a phased delivery programme across three parcels of land within the LDO site that would help maximise the site's potential and value.

The market appraisal work at Teignmouth gave opportunities to promote the site to potential developers at the same time as collecting market information. As a result the level of interest in the site has certainly been heightened. It is through bringing along these partners through the process that once adopted, development in accordance with the LDO should follow swiftly on site.

4.2 Who to involve?

Leadership is critical, ensuring that the top people, politically and managerially, understand the process and are committed to the desired outcome, and will therefore encourage engagement from others, put the necessary resources in place and drive decision making. Ideally someone from the leadership team will take the role of project leader and chair the steering group. It is important to identify and address potentially conflicting points of view at the early stages, ensure

decisions are taken and that these are moved on in order that the same issues are not continually reviewed.

As with all complex projects, progress is more assured if there is an identified project manager whose task it is to ensure that legal requirements are met and the objectives remain at the centre. The project manager will be responsible for making sure the project plan is kept on track and the disparate inputs co-ordinated. Additionally he/she will often take the role of cheerleader for the LDO; ensuring that officers, members and other stakeholders are kept on board in a process that may feel quite new and strange to them. A range of other skills including procuring, commissioning and managing the input from consultants, managing engagement of statutory consultees and making sure that the community are engaged will also be important.

In planning terms this needs to be a collaborative exercise involving both policy and development management (DM) planners. The pilot projects reported that while most of the projects were initially led through policy, in all cases they were surprised at the level of input that was required from DM in order to make sure that the LDO took account of all the issues that would be considered in dealing with an application.

Particularly for regeneration LDOs, it will be important to ensure that there is buy in and consistent positions from asset management colleagues where there is council land involved. Clearly highways and environmental health officers have a role similar to that in considering a major planning application, albeit that because there is no application proposal to check and consider, the approach needs to reflect this.

Most of the pilots set up a LDO working group to meet at regular intervals. Led by the project manager and reporting to the project leader, this group has been pivotal to resolving conflicts and finding solutions. Conversations with statutory consultees and other important stakeholders need to be established early. Representatives from these groups may also find a place on the steering group. For enabling LDOs, where the LDO is a collaborative partnership between the LPA and the land owner, the land owner's team will also be involved in the working group.

4.3 What information will we need?

An important part of de-risking and streamlining the planning process will involve understanding the reasons why development hasn't already come forward despite local plan allocations, development briefs etc. Aside from viability, as discussed above, there may be other issues (real or feared) that inhibit development.

Regeneration sites, because they involve previously developed and perhaps derelict land, often have contamination and site condition problems which require substantial investment in up front investigation before a redevelopment proposal can be shaped.

It may be necessary to create a suite of information similar to that which would form the supporting information for a planning application. The level of detail required for LDO preparation will obviously depend on the complexity of the site. Studies ought to inform whether there are any absolute constraints to development which cannot be overcome or which will have a significant bearing on development viability. Additional detail can be required from the developer in subsequent submissions to comply with the LDO and relevant conditions.

In many cases it will be desirable to utilise the knowledge and skills of people within some of the specialist agencies such as the Environment Agency and Historic England as well as the many people in the community or local agents who have known sites over the course of years and can provide invaluable links to understanding site conditions, markets and other matters. As such the local authority is in a very good position to make the most of access to these stores of knowledge.

Setting up early conversations with the statutory consultee bodies and upper tier authorities (where available) allows for constraints to be identified early and taken into account in the conditions etc.

4.4 What resources will it take?

It is important that a project plan is developed early in the process. Clearly the amount of time and resource that is required will depend on the complexity of the site and the development proposed.

In the case of all the PAS pilots, work began in late Autumn 2014. In all cases it was intended on the original project plan that they would be at formal consultation stage by early summer. Swindon's "routine LDOs" were the only ones that managed to meet that target. The Council approved the LDO for 2 of the sites on 8th December 2015. Construction is due to begin in Spring 2016.

In the case of the Teignmouth the milestone stages have been the community consultation event in March 2015, the report to committee seeking approval to undertake the formal consultation in July, and the formal consultation 14th September 2015 to 16 October 2015. The consultation was held back until after the summer holiday period.

The timescales for North East Lincolnshire are similar with adoption planned for early 2016.

These councils took different approaches to providing the resources to undertake their LDOs. In Teignbridge the officers of the planning department provided the core resource, complemented by the employment of specialist consultancy to undertake most of the technical studies. They also made use of project capacity building available through the PAS pilot project. In North East Lincolnshire their current tranche of LDO work (3 housing LDOs including the PAS pilot) is driven through the Council's long term strategic partnership with Engie. The Council has also commissioned consultants to undertake site analysis and the accompanying illustrative design work and formulate the early draft content of the LDOs. However, DM officers remained responsible for overseeing and leading their project, progressing the several iterations which their LDOs have gone through, liaising with statutory consultees, undertaking community engagement and, significantly, liaising and meeting with land owners.

4.5 How much will it cost?

Officers from Welwyn Hatfield had estimated (for project planning) that the costs to the council for preparing the Wellfield Road LDO would be approximately £24,640 (inclusive of a 10% contingency):

- £12,000 for joint viability appraisal
- £1,500 for desktop contamination survey
- £650 for newspaper adverts
- £500 for letters to surrounding residents
- £250 for consultation boards / material
- £7,500 for graphic design work and more detailed contamination evidence if needed

In the case of that project, which was being taken forward in collaboration with the land owner, the land owner was also making a significant contribution to the site feasibility studies. This included the input from the architects who had designed the pre-application submissions and

therefore included a full site survey with levels etc. The principle was agreed that the emerging LDO would use this pre-application submission work to illustrate an acceptable development within the framework of the LDO.

The Teignmouth project cost has been estimated at £56K to cover the cost of surveys and technical reports including viability and urban design studies for this very complex site. This figure does not include the cost of officer time from the Planning Service and Economic Development and Estates.

Swindon Borough Council has particular expertise in creating LDO having created LDOs for a range of minor development, employment development and renewable energy development. Coupling this expertise in process with the scale of the LDOs for the assisted living sites, Swindon has reported a lower cost for developing the two adopted LDOs (plus one abandoned proposal) for this pilot project. This has been estimated as follows:

- Public consultation – a manned event and leaflet drop £4,000
- Technical reports including utilities and desk top contamination £10,000
- LA staff time (200 hours at £40/hour) £8,000
- Total £22,000

While the costs quoted for the more complex proposals may seem off putting to many LPAs suffering from budget constraints, it is important to consider

- a) the potential for reclaiming some of the costs from fees for considering submissions seeking confirmation of conformity with the LDO and conditions.
- b) the potential for cost sharing with the landowner or potentially even with a developer during the LDO preparation stages
- c) the longer term benefits of achieving good place making development on long vacant sites and the potential for the council to gain directly from developer contributions, the increased council tax base and business rates as well as the indirect benefits of stimulating the local economy through development.

4.6 How to deal with design?

Design relating to LDOs is without doubt the most sensitive and potentially controversial aspect of the process - in particular for both councillors and members of the community, being assured of the quality of the resultant development is key to gaining support for the LDO.

With most development sites, the council and community would be satisfied with a number of alternative approaches to layout, design and bulk. Investing in working up acceptable design parameters in a concept study is especially worthwhile. Design codes and concept guidance explain what the LDO will permit to potential developers and provide assurance that the LDO will set a framework for an acceptable form of development to help members and the local community.

All of the PAS pilots adopted this approach in one way or another. Design codes can be used to set out a framework for materials and layout etc. Conditions can be used to set hard limits in regard to especially sensitive design considerations such as height and bulk. From the developer's perspective, such studies provide a structure within which their own proposal can be delivered – once again reducing risk, delay and costs through the LPA being clear about what is already accepted.

In many cases pre-existing design guidance will already be in place in the form of Supplementary Planning Documents or other forms of non-statutory design guidance (e.g.

design codes, vision documents, regeneration plans, Parish/Village design statement or development briefs). Developers and landowners may have already commissioned design professionals to work up ideas for the sites (such as with the Wellfield Road site), or there may be a lapsed planning permission with principles or design ideas that remain relevant. Provided the viability studies indicate that development compliant with such existing studies will be deliverable, these can be adapted for inclusion; anchored within the main text of the LDO, via a condition and/or a design guide included as an appendix (a common approach with the pilot residential-led LDOs and Enterprise Zone LDOs).

4.7 How to take people with you?

Strategic leadership, in defining the objectives and overseeing the project, is clearly critical. Equally, early engagement with the community both to explain the objectives and to ensure that input of community ideas and aspirations are taken account of is very important. The pilots experience has shown that engagement of the ward members early in the process of developing the LDO has often been key to successful two way conversations with the community reducing misunderstandings and promoting community aspirations in the terms of the LDO.

Potential LDO sites are often at the heart of an existing place and taking the local community through the process and explaining the how their views will be used to inform the criteria for development permitted through the LDO has been a key success in the pilots.

The pilots used a range of engagement mechanisms, including set-up discussions about what an LDO is and what the council hope to achieve. In the Teignbridge project, collaboration with the town centre umbrella organisations lead to the subsequent formation of a community led LDO working group. Public meetings were held near to the site and attended by the local ward members and a range of consultation events including a very successful stakeholder design options workshop. These events took place during the shaping of the draft LDO. Evidence from the studies was shared so that the community could understand the constraints and opportunities. The Council's [website](#) has a dedicated section on the LDO with access to documents, studies and milestone announcements. For the formal consultation stage, the statement of reasons was used effectively to set out how the likely issues (e.g residential amenity) was proposed to be addressed in the LDO, giving the community and neighbours a better understanding of how the mechanism will work.

Statutory consultees and upper tier authorities need to be welcomed into the process early on. In the case of Teignbridge, the involvement of the Environment Agency helped develop solutions to deal with coastal flooding issues. Heritage England were involved in discussion regarding townscape and Devon County Council are central to important discussions about possible relocation of community facilities to the site – a key factor in raising the financial viability.

In Cleethorpes, Historic England were closely involved given the critical relationship of this site to the historic seaside town centre. The LDO, as a result, was varied to fully address their initial concerns. The Council has also emphasised the advantages of having the landowner fully engaged. As the wording in the LDO can have an impact on viability and deliverability, their full engagement in the evolution of the LDO improves the likelihood of a good eventual outcome from the process.

Grant Street site in Cleethorpes, North East Lincolnshire



The formal consultation period is important as a milestone opportunity for the council to show clearly that they are listening to their communities. Swindon abandoned proposals to bring forward one of their three LDO sites following concern about the suitability of one of the site for new housing during the formal consultation period.