

FEES AND CHARGES REPORT

APPENDIX 5 - LAND CHARGES SERVICES

1. Service Description

The provision of a public register in the Local Land Charges service is a statutory requirement that provides an income to the authority on a cost recovery basis. The service is a key part of the wider conveyancing process used to buy, sell re-mortgage etc. land and property within England and Wales.

Conveyancers request standard information. This is split into two parts, information that is held within the register (statutory element) and information that forms part of the CON29, which refers to the contract that the Law Society and Local Authorities work under when requesting and providing this information.

There is a proposal within the new Infrastructure Act, to centralise the statutory element of the Local Land Charges search and make Land Registry responsible for administering the register. The Local Authority will retain liability and responsibility for information provided from the register.

2. Prior years analysis, current financial year projections

The table below illustrates the volumes of searches over the last three financial years (please note 2021/2022 is an estimate) and the levels of income achieved month by month.

	2018/19	2019/20	2020/21	2021/22
Searches Received	2,681	2,489	3,095	3,053
Income Received	£103,000	£93,000	£108,000	£116,000

Total income received previous three financial years against budget (2021/2022 Estimated)

	Total	Budget	Under/(over)
Income received 2017/18	£115,905	£117,400	£1,495
Income received 2018/19	£103,441	£121,500	£18,059
Income received 2019/20	£92,974	£125,600	£32,626
Income received 2020/21	£108,803	£98,700	£(10,103)
Income received 2021/22 Forecast	£116,800	£116,800	£0

3. COVID Impact

Due to the pandemic, we were unable to provide a face-to-face service for personal search companies, therefore we have had to undertake the searches that these companies usually do themselves. This has put on immense pressure on the team of additional workload that cannot be charged for under these current circumstances. This along with an increase in searches generally led to our turnaround times increasing dramatically over the last few months as we were undertaking work we normally wouldn't do (this currently equates to 1 persons full time hours). Agency staff have been employed to help to clear the backlog.

4. Pricing

The service has proposed an increase of inflation at 3.9% across all fees and charges within the service area. The resulting charges are consistent with benchmarking data for neighbouring Authorities.

In the previous year we had applied a 6% increase on all fees or 50 pence.

LLC1 fee of £24.00 per search will stop once Land Registry take over the declaration of registrations. This is anticipated to be before end March 2022. **This is forecast to create a pressure of £38,700 in** 2022/2023, reducing to £16,800 in 2026/2027.

5. Understanding Customers and Markets

Our average market share in the last 4 years is 38%, and today this year's share is also at 38%. We are looking to increase the market share by 10% over the next 3 years.

In order to forecast the income for the next 10 years we have taken the average searches for the last 4 years, which is 2,714 as the basis for our calculation. We have applied the increase in market share for the next 3 years only. The fees used to calculate the income is based on CON 29R one parcel rate. Next year we propose to increase this rate by 3.9% from £75.50 to £78.44 (excl. VAT). For the following years' a 2% increase has been applied.

The income forecast has been compared to the MTFP budget agreed in March 2021. From April 2022 it is assumed that we will no longer receive the LLC1 income as we will no longer perform these searches, the Land Registry will deal with the declaration of registrations from this date. **This is projected to be a loss of income in the region of £25,700 pa** which has been calculated as an average over the last 3 years for LLC1 element of searches.

The chart below shows the forecasted budget using the CON29 element only.

Year	Forecast Income	Budget as per MTFP agreed March 2021	Variance over/(under)	Market Share
2022/23	80,400	93,400	(13,000)	38%
2023/24	92,800	95,300	(2,500)	43%
2024/25	105,500	97,200	8,300	48%
2025/26	107,500	99,100	8,400	48%
2026/27	109,500	99,100	10,400	48%
2027/28	111,400	99,100	12,300	48%
2028/29	113,400	99,100	14,300	48%
2029/30	115,300	99,100	16,200	48%
2030/31	117,900	99,100	18,800	48%
2031/32	120,500	99,100	21,400	48%

The Local Land Charges service (LLC), over the years has achieved a reputation across the district as being a quality and accurate service. This reputation has been built, primarily by one person, who has led the service with professionalism, attention to detail and a huge, in depth knowledge of this statutory provision.

A core group of customers have remained loyal to the service because of this, however there has been no formal attempt by the service to increase its market share due to the lack of resilience in service due to the antiquated process and procedures created by the paper-based systems. With the implementation of a new computer system this is something the team will work towards with emphasis on increasing income and market share.

6. Proposed Charges

For non-statutory charges the Land Charges Service proposes to apply an increase of inflation current rate is 3.9%.

7. Impact on Medium Term Financial Plan (MTFP)

	2022/23 (£)	2023/24 (£)	2024/25 (£)	2025/26 (£)	2026/27 (£)
Current Budget in MTFP	(119,100)	(121,500)	(123,900)	(126,300)	(126,300)
Proposed Budget - Search Fee Income (Non VAT)	(80,400)	(92,800)	(105,500)	(107,500)	(109,500)
Impact on MTFP 2022/23 Pressure/ (Saving)	38,700	28,700	18,400	18,800	16,800

8. Recommendation

Members are requested to recommend to Council the charges for 2022/2023 as illustrated in the schedule below.

Prosperous Communities Committee

Land Charges

		2021/22		Proposed Increase / (Decrease)		2022/23		VAT Amount	2022/23 Charge Inc. VAT	VAT Rate
		£	%	£	£	£	£	£		
Access to data	Access to information not held on public registers (includes £5 admin fee)	£24.00	3.9%	£0.94	£24.94	£0.00	£24.94		OS	
	Cancellation Fee	£6.50	3.9%	£0.25	£6.75	£0.00	£6.75		OS	
LLC1:	Any one part of the register	£8.00	3.9%	£0.31	£8.31	£0.00	£8.31		OS	
	Whole of the register	£24.00	3.9%	£0.94	£24.94	£0.00	£24.94		OS	
	Per additional parcel (maximum of £16)	£1.50	33.0%	£0.50	£2.00	£0.00	£2.00		OS	
CON 29R	One parcel	£75.50	3.9%	£2.94	£78.44	£15.69	£94.13		S	
	Each additional parcel	£17.00	3.9%	£0.66	£17.66	£3.53	£21.20		S	
	Lincolnshire County Council Fee	£23.10	3.9%	£0.90	£24.00	£4.80	£28.80		S	
CON 29O	submitted with CON29R or LLC1	£18.50	3.9%	£0.72	£19.22	£3.84	£23.07		S	
	submitted on its own	£18.50	3.9%	£0.72	£19.22	£3.84	£23.07		S	
	Administration Fee	£13.50	3.9%	£0.53	£14.03	£2.81	£16.83		S	
Additional Enquiries *	Per additional enquiry	£32.00	3.9%	£1.25	£33.25	£6.65	£39.90		S/O	
Filing a definitive certificate of the Lands Tribunal		£3.50	14.4%	£0.50	£4.00	£0.00	£4.00		OS	
Office copy of any entry in the register (not including a copy or extract of any plan or document filed pursuant to these rules)									S	

* The VAT treatment of this supply will follow the treatment of the initial search (eg if CON29 it will be taxable, but if LLC1 it will be outside the scope)