

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 2022/2023 is an estimate) and the levels of income achieved month by month.

	2019/20	2020/21	2021/22	2022-23 Forecast (£)
Searches Received	2,489	3,095	3,591	2,714
Income Received	(92,973)	(108,801)	(136,486)	(80,400)

Total income received previous three financial years against budget (2022/2023 estimated).

Income achieved	2019-20 (£)	2020-21 (£)	2021-22 (£)	2022-23 Forecast (£)
Land Charges	(92,973)	(108,801)	(136,486)	(80,400)
Total Income	(92,973)	(108,801)	(136,486)	(80,400)
Budget	(125,600)	(98,700)	(116,800)	(80,400)
Income Achieved (Above)/Below Budget	32,627	(10,101)	(19,686)	-

3. Pricing

The service has proposed an increase of inflation at 6% across non statutory fees and charges within the service area. The resulting charges are consistent with benchmarking data for neighbouring Authorities.

LLC1 search fee will stop once Land Registry take over the declaration of registrations. This was anticipated to be before end March 2022. However, this has not happened yet and a revised timeline is not known.

4. Understanding Customers and Markets

Our average market share in the last 4 years is 36%, and currently this year's share is at 34%. We are looking to increase the market share by 8% 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 2,964 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 6% from £78.44 to £83.17 (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 2022. From April 2023 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. element of searches.

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

Year	Forecast Income	Budget as per MTFP agreed March 2022	Variance over/ (under)	Market Share
2022/23	80,400	80,400	-	38%
2023/24	92,800	92,800	-	38%
2024/25	105,500	105,500	-	42%
2025/26	107,500	107,500	-	42%
2026/27	109,600	109,500	100	42%
2027/28	112,100	109,500	2,600	42%
2028/29	114,500	109,500	5,000	42%
2029/30	117,000	109,500	7,500	42%
2030/31	119,500	109,500	10,000	42%
2031/32	122,000	109,500	12,500	42%

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.

5. Proposed Charges

For non-statutory charges the Land Charges Service proposes to apply an increase of inflation current rate is 6%.

6. Impact on Medium Term Financial Plan (MTFP)

	2023/24 (£)	2024/25 (£)	2025/26 (£)	2026/27 (£)	2027/28 (£)
Current Budget in MTFP	(92,800)	(105,500)	(107,500)	(109,500)	(109,500)
Proposed Budget - Search Fee Income (Non VAT)	(92,800)	(105,500)	(107,500)	(109,500)	(109,500)
Impact on MTFP 2022/23 Pressure/ (Saving)	-	-	-	-	-

7. Recommendation

Members are requested to recommend to Council the charges for 2023/2024 as illustrated in the schedule below.

Prosperous Communities Committee

Land Charges

		2022/23	Proposed Increase / (Decrease)		2023/24	VAT Amount	2023/24 Charge Inc. VAT	VAT Rate
		£	% Type	or £	£	£	£	
Access to data	Access to information not held on public registers (includes £5 admin fee)	£24.94	6.1%	£1.51	£26.45	£0.00	£26.45	OS
	Cancellation Fee	£6.75	3.7%	£0.25	£7.00	£0.00	£7.00	OS
LLC1:	Any one part of the register	£8.31	0.0%	£0.00	£8.31	£0.00	£8.31	OS
	Whole of the register	£24.94	0.0%	£0.00	£24.94	£0.00	£24.94	OS
	Per additional parcel (maximum of £16)	£2.00	0.0%	£0.00	£2.00	£0.00	£2.00	OS
CON 29R	One parcel	£78.44	6.0%	£4.73	£83.17	£16.63	£99.80	S
	Each additional parcel	£17.66	3.8%	£0.67	£18.33	£3.67	£22.00	S
	Lincolnshire County Council Fee	£40.00	0.0%	£0.00	£40.00	£8.00	£48.00	S
CON 29O								
submitted with CON29R or LLC1	Each printed enquiry	£19.22	4.1%	£0.78	£20.00	£4.00	£24.00	S
submitted on its own	Each printed enquiry	£19.22	4.1%	£0.78	£20.00	£4.00	£24.00	S
Administration Fee		£14.03	6.9%	£0.97	£15.00	£3.00	£18.00	S
Additional Enquiries *	Per additional enquiry	£33.25	6.5%	£2.17	£35.42	£7.08	£42.50	S/O
Filing a definitive certificate of the Lands Tribunal		£4.00	4.9%	£0.20	£4.20	£0.00	£4.20	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 (e.g. if CON29 it will be taxable, but if LLC1 it will be outside the scope)