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**REPORT TO:** CABINET MEMBER FOR PLANNING

**DATE:** 30<sup>th</sup> NOVEMBER 2021

**SERVICE AREA:** PLACE-SHAPING AND ECONOMIC GROWTH

**REPORTING OFFICER:** Service Improvement & Development Manager  
(*Dave Clothier*)

**SUBJECT:** **LOCAL LAND CHARGES – Fee setting 2022/23 and  
Outturn statement 2020/21**

**WARD/S AFFECTED:** All

**FORWARD PLAN REF:** N/A

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## **1.0 PURPOSE OF REPORT**

- 1.1 To present the outturn statement on Land Charge income/expenditure for 2020/21 – attached at Appendix 1.
- 1.2 To seek approval to increase Local Land Charge fees by 2.5% from 1 April 2022 - in line with the statement on fee setting under Regulation 9 of the Local Authorities (charges for Property Searches) Regulations 2008 (“the 2008 Regulations”) – attached at Appendix 2. These fees have been increased by approximately 2.5%.
- 1.3 To provide an update on the transfer of aspects of the service to the Land Registry.

## **2.0 RECOMMENDATIONS**

- 2.1 That the Cabinet Member notes and agrees:
- The outturn statement on Land Charge income/expenditure for 2020/21 as set out in Appendix 1.
  - The revised Land Charge fees as specified in Appendix 2, with effect from 1st April 2022.
  - The update on the proposals to transfer elements of the service to the Land Registry.

## **3.0 RECOMMENDED REASONS FOR DECISIONS**

- 3.1 Councils are allowed by virtue of the Local Authorities (Charges for Land Searches) Regulations 1994 and by Section 13(A) of the Local Land Act 1975 to set fees for official enquiries concerning property transactions (CON29) and for official searches of the Local Land Charges Register (LLC1).
- 3.2 Councils are also allowed by the virtue of the 2008 Regulations to set fees for the provision of property information and must produce a statement each year on fee setting under the Regulations.
- 3.3 To update the Cabinet Member on external matters affecting the service.
- 3.4 For 2022/23 the guidance in the Medium Term Financial Strategy is that fees should increase by 2.5%.

#### **4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION**

- 4.1 Reducing fees – Fees were reduced by 25% between 2015 - 2017 and since then income and expenditure have been more closely aligned.
- 4.2 Maintain fees at current levels – this is not proposed at this time as the proposed increase should achieve cost recovery.

#### **5.0 THE REPORT**

- 5.1 The Local Land Charges service provides searches and information to the conveyancing and property industry. These searches and information consist of:
- LLC1 – Search of the Local Land Charges Register.
  - CON29 – Enquiries of District Councils.
  - Personal Searches of the Local Land Charges register for which a fee cannot be charged.
  - Property information under the 2008 Regulations.
  - The inspection of property information under the Environmental Information Regulations (EIR) 2004.
- 5.2 Traditionally solicitors acting for the purchasers of properties have carried out CON29 and LLC1 searches. These searches can take the form of official local authority searches or personal searches which are carried out by private companies.
- 5.3 Each year we are required to consider whether to increase fees for Land Charge Searches. For 2022/23 the guidance in the Medium Term Financial Strategy is that fees should increase by 2.5%. The Land Charges service currently has no surplus in reserve as the previous surplus, which stood at £53,884.98, was released to revenue by Management Board at the end of 2020/21 to part fund the net cost of COVID-19 as part of the Council's Financial Recovery Plan.

5.4 The Impact of Covid – 19 saw an initial reduction in submissions/income, then a substantial rise. Income for 20/21 out-turned at £318,707 against an original estimate of £290,550. However the cost of running the Land Charges function also increased during the same period, as more staff were required to undertake the increase in work. Whilst it is difficult to estimate overall income in 2021/22, it is likely that income will be on the region of the original estimate of £297,810.

5.5 As we should only look to recover our costs from Land Charges fees, it is envisaged that this can be achieved in 2022/23 with a 2.5% rise, in line with recommendations in the Council's Medium Term Financial Strategy.

5.6 Update on transfer to the Land Registry  
In the Queen's speech in June 2014 it was confirmed that the Land Registry (HMLR) will assume the responsibility for the processing for searches of the Land Charges Register nationally, with the transfer of work proposed to be completed by 2022. It is likely that this will remove approximately 55% of the Councils current resource requirements. We have now signed up to the following timeline with the Land Registry:

April 21 – Pre migration

April 22 – Migration

April 23 – Go Live

5.7 Land Registry have confirmed that over and above burdens payment for any costs incurred to the council – i.e time to capture data, there will be an additional payment of £90 000 to be paid in 2 instalments.

## **6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS**

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

### **6.2 Finance**

Finance has confirmed that the figures contained within Appendix 1 and 2 are correct. The Council's Medium Term Financial Strategy indicates that sales, fees and charges should increase by 2.5%.

### **6.3 Legal Implications**

It is important that a watching brief is maintained on this ever changing service and the effect of the Environmental Information Regulations on it. Legal Services will continue to work closely with the Place-shaping & Economic Growth service and nationally with the Local Government

Association (LGA) to try and minimise income loss and service disruption.

#### 6.4 **Risk Assessment**

The Council could lose business by being undercut by Personal Search Agents and requests to access information via the EIR.

#### 7.0 **CONCLUSIONS**

- 7.1 Estimates of the number of searches we will receive in the future has indicated that an increase of 2.5% to our current fees and charges is appropriate in order that the Land Charges account breaks even within the financial year 2022/23.

<p><b>OFFICER CONTACT:</b> Please contact David Clothier if you require any further information on the contents of this report. The Officer can be contacted at the Civic Centre or by telephone on 01423 500600 ext. 58641 or by e-mail at <a href="mailto:david.clothier@harrogate.gov.uk">david.clothier@harrogate.gov.uk</a></p>
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