



Decision Pathway – Report Land Charges fees Cabinet 4 July 2023

Appendix A – Further essential background / detail on the proposal

LLC1 is a search of the Local Land Charges register for all charges registered against a property, including any financial charges, planning agreements, enforcement notices, aviation, conservation areas, listed buildings, light obstruction notices and, tree preservations etc.

Every local authority maintains a Local Land Charges (LLC) register. Currently, Bristol carries out the LLC1 search. As a result of the Infrastructure Act 2015, a national, single, centralised digital online LLC register has been created and will be held by the HM Land Registry (HMLR). Each local authority has or will transfer their LLC data on a phased basis. Bristol's transfer of LLC information to the central register was interrupted by the Covid 19 pandemic. Bristol is now on schedule to transfer at the end of July 2023.

After transfer to Land Registry, Bristol will continue to maintain the register, and the fee will no longer payable to the Council, instead sent to the HMLR. Bristol will continue sending HMLR registrations and cancellations. The public and search agents will access the LLC1 on-line from the HMLR, who will charge a fee of £15. A fee for a search from the Bristol Local Land Charges Register search (LLC1) is currently £52, payable to Bristol. This will cease when applications pass to the HMLR to issue.

Conveyancing 'Con 29' is a set of standard enquiries recommended by the Law Society to purchasers to reveal vital information that could affect future use or development of the property, or impose financial burdens eg planning history, building control regulations, decisions or anything waiting for approval, proposed road building, transport systems or rights of way.

The carrying out of Con29 searches is a discretionary, not a statutory, requirement of the Council.

Some Con 29 information has price regulation, and these are increased annually by inflation. Bristol will continue to sell Con 29 information direct to the public, solicitors and search agents. The current fee for a residential property is £52, and £73 for a commercial property.

Bristol's current fees for searches are therefore:

- £52 = LLC1; (Both residential/commercial) and
- £52/£73 = Con 29 (residential/commercial)

totalling £104/£125 (ex VAT) for both (residential/commercial) searches, paid for, ultimately, by the public. 80% of Bristol's searches are residential. Both Local Land Charges searches, and Conveyancing enquiries directly connect to the volume of house sales.

Proposed fees for Con 29 searches:

- Residential - £75
- Commercial - £101
- Average (assumption of 80%:20% split (Residential: Commercial) - £80.20

Cost analysis based on 2022/23 volume of 5294 searches:

- Total fee income = £80.20 x 5294 = £424k (to nearest £k)

Cost analysis based on past 5 years 2018/2019 to 2022/23 average volume of 5001 searches:

- Total fee income = £80.20 x 5001 = £401k (to nearest £k)

Annual costs based on 2022/23 salaries etc - £410k

- Staffing cost - £299k (including transactional and managerial staff and IT time)
- Overheads charge - £93k
- Software costs - £18k

The 2022/23 had higher than average demand for searches. The average number of searches for the previous five years was 5001 searches per year. The first two months of 2023/24 has already seen a reduction by 24.6% in search demand from 2022/23.

The increase in Con29 fees enable BCC to meet its overhead costs in providing and maintaining an efficient and accurate Con 29 search facility service, including, refining lists of information for Personal Search Agents whilst working towards reducing the overall net cost to the end user.

- **Market analysis**

This is a competitive market. The public and solicitors can access Con 29 search information direct from Bristol City Council or via a private search agent, so this is a competitive market based on speed and price. Solicitors for the proposed purchaser determine which information is required. Con 29 covers additional searches, and most of the information is publicly available. A couple of optional questions are not public. This element is sold to search agents. It is the information that is freely available in Con 29 that is being considered here.

Although fees cannot exceed the cost of providing the service, Bristol may maximise income by charging a lower fee to maximise volume. However, it may be viewed as 'uncompetitive' if Bristol City Council charge a low rate that would 'distort' the market. Different fee levels may be needed in order to test the market, and adjustments up or down may be required.

Volume is dependent on:

- Buoyancy of the housing market – how large the total market is that Bristol City Council will have a share of.
- Speed of service – turnaround of request to information being provided. BCC's turnaround is under five days which improves Bristol City Council's competitiveness.

- Quality of the search information provided - Bristol City Council provides very accurate information. Bristol City Council offers expertise in providing this information.
- 'Added value' items. Bristol City Council will be providing an additional very detailed accurate map of the locality regarding issues such as adopted highways in relation to the property.
- Price. Search agents will sell services via a national contract with solicitors and their fees are not publicly accessible without directly engaging them. Private national search agents are likely to look at the average of local authority costs when deciding their pricing, rather than a comparison with an individual authority. It is therefore likely that if Bristol increases its cost, this may not impact on its market share.

Benchmarking Con29 fees

Local Authorities provide the searches within a competitive market. Personal Search Agents and their fees are not readily available. However, it is possible to look at Con29/LLC1 fees charged by other core cities and neighbouring authorities. (Figures June 2022).

	<i>CON 29 Residential</i>		
Council	LA fee	VAT	Total Charge
Birmingham	£ 64.32	£ 16.08	£ 80.40
Sheffield	£ 62.50	£ 12.50	£ 75.00
Manchester	£ 63.50	£ 11.00	£ 74.50
Leeds	£ 50.80	£ 10.16	£ 60.96
Nottingham	£ 85.00	£ 17.00	£ 102.00
Cardiff	£ 99.16	£ 19.84	£ 119.00
Lambeth Council (London)	£ 200.00	£ 40.00	£ 240.00
Average	£89.33		£107.41
North Somerset	£ 73.68	£ 18.42	£ 92.10
Bath and North East Somerset	£ 71.60	£ 17.90	£ 89.50
South Gloucestershire	£ 57.90	£ 11.58	£ 69.48
Average of Neighbours	£67.73		£83.69
Bristol	£ 52.00	£ 10.40	£ 62.40

Below is a snippet from Zoopla showing the price range nationally for all house searches. Local Authority element (CON29/LLC1) is one of many searches/costs home solicitors are required to undertake. The national average for Local Authority Search LLC1/Con29 would be circa £150 for residential.

Here's an estimated breakdown for search costs:

Search type	Cost (estimate)
Local Authority search	£50 - £250
Water and Drainage search	£50 - £100
Environmental search	£25 - £60
Flooding search	£20 - £50
Flood risk indicator (copy)	£10
Mining search	£25 - £120
Chancel search	£20 - £90
Title register (copy)	£4 - £8
Title plan (copy)	£4 - £8
Bankruptcy search	£2 per person
Indemnity insurance	£30 - £300