

Decision Pathway – Report Land Charges fees



PURPOSE: Key decision

MEETING: Cabinet

DATE: 04 July 2023

TITLE	Land Charges fees	
Ward(s)	Whole city	
Author:	Yvonne Dawes	Job title: Head of Statutory Registration
Cabinet lead: Cllr Craig Cheney, Deputy Mayor - City Economy, Finance and Performance	Executive Director lead: Stephen Peacock, Chief Executive	
Proposal origin: BCC Staff		
Decision maker: Mayor Decision forum: Cabinet		
Purpose of Report:		
<ol style="list-style-type: none"> To note the transfer of Bristol's Land Search Register fees to the HM Land Registry in July 2023 To approve Con 29 residential fees increase from £52 to £75 and commercial properties from £73 to £101 (excluding VAT). 		
Evidence Base:		
<ol style="list-style-type: none"> Every local authority maintains a Local Land Charges (LLC) register. At the end of July 2023 in accordance with the Infrastructure Act 2015, Bristol City Council will transfer their LLC data to HM Land Registry (HMLR). Bristol City Council will continue to maintain the LLC register with the income paid to the HMLR. Purchasers of properties undertake local authority searches that consists of two elements, Local Land Charge (LLC1) for all charges registered against a property, and Conveyancing (Con 29) a set of standard enquiries that reveal information that could affect future use or development of the property or impose financial burdens. The Con 29 search fee will continue to be paid to Bristol City Council. Bristol City Council provides this service alongside private sector in a competitive market, and has a significant market share due to confidence in expertise provided and efficiency of service. Local Land Charge (LLC1) residential search fees are currently £52 and commercial £73. Any future fees will be paid to HM Land Registry (currently set at £15 per search). The Con 29 residential search fees are currently £52 and commercial £73. This proposal is to increase the residential Con 29 search fees from £52 to £75 and the commercial fee from £73 to £101 starting in August 2023. The increase in Con29 fees will enable BCC to meet its overhead costs (staff, overheads, and software) 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. The proposed fees have been benchmarked against other local authorities. Overall, for the purchasers, the combined LLC1 land charges and Con 29 fee will similar before and after the Con 29 fees increase. 		
Cabinet Member / Officer Recommendations:		
That Cabinet:		
<ol style="list-style-type: none"> Note the transfer of LLC1 search functions and fees to the HM Land Registry due to take place in July 2023. Approve the increase to Bristol's residential Con 29 fees from £52 to £75 and commercial fees from £73 to £101 from 1 August 2023. Authorise the Director Legal and Democratic Services to take all steps required to implement the increase in charges as approved. 		

Corporate Strategy alignment:

1. Effective Development Organisation including the joining-up of activities by partners towards our common goals, with our partner being the national HM Land Registry.
2. Contribute to providing good value for money for services.

City Benefits:

Bristol City Council has signed a co-operation agreement with HM Land Registry (HMLR) to transfer access to Bristol City Council's Local Land Charges Register.

The changes mean:

1. Nationally consistent data which provides clear and accurate search results.
2. Instant online search results with 24/7 access to the data.
3. A £15 national fee for each LLC1 search, providing a reduction and standardisation of fees which currently vary between Local Authorities.
4. Citizens or search agents can undertake this work themselves in a much more accessible route online or choose for the HMLR to carry out the search on their behalf.

Search fees are an extremely small element of the cost of house purchases. By keeping combined pricing broadly compatible it is anticipated that there will be no negative impact on house sales in line with central government ambition for the housing market.

Consultation Details: None

Background Documents:

1. Every local authority in England and Wales is required to maintain a Local Land Charges Register under the Local Land Charges Act of 1975. [Local Land Charges Act 1975 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/1975/10)
2. The Infrastructure Act 2015 created a national, single, centralised digital online LLC register held by the HM Land Registry (HMLR). The responsibility for local land charges searches will be transferred to Land Registry on a phased local authority by local authority basis. [Infrastructure Act 2015 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2015/12)

Revenue Cost	£0	Source of Revenue Funding	Recharge of services
Capital Cost	£0	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input checked="" type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: This report requests cabinet to note the transfer of Bristol's Land Search Register fees (Local Land Charge-LLC1) to HM Land Registry in July 2023 and approve increase of Conveyancing (Con29) fees from £52 to £75 for Residential Properties and from £73 to £101 for Commercial Properties.

The LLC1 fees had a value to the council of Circa £295,000 per annum and reserves have been earmarked to plug this gap in the service Budget.

The fees /income received from both services was to cover the cost of providing the service and with the loss of LLC1 income, the requested increase in Con29 fees ensures the cost of providing this service is fully covered.

The Council does not have a monopoly over the Con29 service and there is a risk that the increase in fees might result in a reduction in volumes and not having the desired impact. To mitigate this impact the new fees have been benchmarked with other local authorities who provide this service, and the proposed fees appear competitive and would need to be reviewed annually to ensure total income covers cost of service.

Finance Business Partner: Olubunmi Kupoluyi, Finance Business Partner, 16 June 2023

2. Legal Advice: The Council has a statutory duty to keep the local land charges register and to provide a search of the

register (LLC1) on application and subject to a fee (pursuant to the Local Land Charges Act 1975). The proposed transfer of the LLC1 search function from Bristol City Council to the HM Land Registry (HMLR) has been implemented by the Infrastructure Act 2015. Once the transfer of information from the Bristol Local Land Charges Register completes, the Council will no longer be subject to the statutory duty to provide local land charge searches. Any fees charged for this provision will now be payable to HMLR.

The provision of information following a Con29 search request is a discretionary service provided by the Council. In accordance with s.93 of the Local Government Act 2003, the Council can charge for providing this service. This power to charge is subject to the duty, under section 93(3) to secure that, taking one financial year with another, the income from charges for provision of that service does not exceed the cost of provision.

The increase in charges for provision of the CON29 service must therefore not be more than the cost of provision of that service, year on year.

Legal Team Leader: Joanne Mansfield, Team Manager, 3 May 2023

3. Implications on IT: I can see no implications on IT in regards to this activity.

IT Team Leader: Gavin Arbuckle, Head of Service Operations, 7 June 2023

4. HR Advice: There are no HR implications evident.

HR Partner: Bryn Williams, HR Business Partner, 2 May 2023

EDM Sign-off	Stephen Peacock	10 May 2023
Cabinet Member sign-off	Cllr Craig Cheney	15 May 2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	13 June 2023

Appendix A – Further essential background / detail on the proposal Use this section to provide more details to expand upon the points made in this report.	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO