

## LOCAL LAND CHARGES - REVIEW OF FEES

Legal & Democratic Services Advisory Committee - 22 January 2019

Report of: Chief Officer Corporate Services

Status: For decision

Also considered by: Cabinet - 14 February 2019

Key Decision: Yes

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**Executive Summary:** This report outlines background and current fees for the Local Land Charges Service and proposes a new scale of fees to take effect from 1 April 2019

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**This report supports the Key Aim of Effective management of resources**

**Portfolio Holder** Cllr. Firth

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**Recommendation to Legal and Democratic Services Advisory Committee:** That the proposed Land Charges fees as set out in Appendix A be recommended to Cabinet to take effect from 1 April 2019.

**Recommendation to Cabinet:** That the proposed Land Charges fees as set out in Appendix A are agreed to take effect from 1 April 2019.

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### Introduction and Background

1 When a property or parcel of land is bought, leased, mortgaged or a valuation carried out, a request for a search is sent to the Local Land Charges (LLC) team, the search is usually submitted by a solicitor or licensed conveyancer, either electronically or by a paper application form.

2 Local Land Charges inform potential buyers of property or land whether they will inherit any obligations or restrictions such as a tree preservation order or enforcement notice.

3 A search consists of three parts:

**Part one - LLC1** - the Official Certificate of Search Form, which covers obligations and restrictions on the property imposed by the Local Authority

which will be inherited by any subsequent owner - for example financial charges (registered against the property by the local authority), improvement grants, tree preservation orders or listed building status.

**Part two - CON29R** - the Enquiries of Local Authorities Form covers things like planning history of the property, whether the road is publicly or privately maintained and whether there are any major road or rail proposals in the vicinity

**Part three - CON290** - includes further (optional) enquiries which covers information about public paths or byways, houses in multiple occupation, hazardous substance consents and common land.

- 4 For the above searches, Sevenoaks District Council charges a fee. The fees should be set to fully recover the costs of the service provided but no more. The service must run on a cost neutral basis and all local authorities have to operate under this model.

### Personal Searches

- 5 A personal search is legally defined as a search of the Local Land Charges Register (LLCR) carried out by a member of the public. CON29 Information is not included or provided by Local Land Charge Departments as part of a personal search.
- 6 Over recent years and as a result of the legal settlement reached between the LGA and APPS (Amalgamated Personal Property Searches) local authorities are mandated to provide personal search information without charge.

### Team Structure and Performance and Budget

- 7 The team currently consists of 2.85 FTE, a Senior Local Land Charges Officer (0.6 FTE), two Local Land Charges Officers (2.0 FTE) and a shared administration resource (0.25FTE).
- 8 Based on a target of responding to Land Charges search requests within 10 working days, this level of resource has been shown to be appropriate. Reductions in this resource due to sickness or other absence have been shown to have an adverse impact on turn around times.
- 9 The annual income budget for 2018/19 for the service is £205,000, expenditure is mainly salaries, and support service costs in terms of IT provision to support databases.
- 10 During 2017/18, the team received 1573 Searches and 1287 Personal Searches. The average time to process searches in this period was 9 working days.

- 11 This compares with year to date figures for 2018/19 to 4 December 2018 of 1051 Searches and 946 Personal Searches. The average time to process Searches in this period was 10 working days.

### **Current and Proposed Fees**

- 12 The current scheme of fees for the service are set out in Appendix A and are supposed to be set to recover the costs of providing the service but not to create a surplus. These fees have remained unchanged for at least ten years.
- 13 Based on current and projected volumes of searches and their associated income from charges it is forecast there will be around a £60,000 adverse variance when compared to expenditure. The service is therefore no longer operating on a cost recovery basis.
- 14 Over recent years, expenditure budgets within the Land Charges Service have increased in line with inflationary increases as part of the annual budget process. Whilst the budgeted income figure has also increased in line with inflation, the fees have not been reviewed and levels charged have remained constant whilst volumes have not increased. This has resulted in an increasing deficit when considered on a cost recovery basis.
- 15 It is therefore proposed that fees are increased to bring the service back to a cost recovery positional and reflect inflationary increases which have not been applied. The proposed new fee levels are also outlined in Appendix A.

### **Land Registry Proposals**

- 16 In 2010, HM Land Registry (HMLR) proposed that a single, standardised point of contact should be created for the provision of LLC information citing *“an issue with the lack of standardisation with the current provision system of LLC and CON29 searches”*.
- 17 Since that time, legislation has been passed which will enable HMLR to assume responsibility and payment for the provision of LLC data from all Local Authorities including Sevenoaks District Council. SDC will be required to provide this data at no cost.
- 18 In 2010 migration was expected to be phased throughout 2015, the latest understanding is that migration will be phased through 2017-2022. When the service is migrated to HMLR, Sevenoaks District Council will be required to provide data, by a means not yet known but presumably electronically, on a daily basis to HMLR. From this date, SDC will no longer be able to charge a fee for information provided.
- 19 SDC have engaged with the HMLR and are actively working on how data is stored, the digitising of data and how this could most efficiently be achieved and discussions are ongoing.

## **Key Implications**

### Financial

If fees are not increased in line with those proposed in Appendix A, the service will not operate on a cost recovery basis and will generate a deficit.

If HMLR proposals come into force, in the relevant future years a significant proportion of associated income will no longer be generated. Once clearer information is forthcoming it is proposed that the provision of the service will be further reviewed.

### Legal Implications and Risk Assessment Statement.

Local Land Charges is a statutory service.

### Equality Assessment

There are no equalities impacts arising from this report.

### **Appendices**

Appendix A - Current and Proposed Fees

### **Background Papers:**

None

**Jim Carrington-West**  
**Chief Officer Corporate Services**

## Appendix A - Current Land Charges Current and Proposed Fees

Search Type	Current Fee (£)	Proposed Fee (£)
Full Search (LLC1 & CON29)	122	165
LLC1	20	33
CON29	102	135
Additional Parcel of Land	18	27
CON290 Printed Enquiry (Each) Q4 - Q22	18	20