

REVIEW OF LOCAL LAND CHARGES FEES

SUMMARY AND RECOMMENDATIONS:

This report outlines background and current fees for the Local Land Charges (LLC) service and proposes a new fee scale as set out in the table in Appendix A to take effect from 1st December 2021.

Recommendation to the Cabinet that these proposed new fees are agreed to take effect from that date.

1. INTRODUCTION

- 1.1. The main purpose of this report is to seek the Cabinet's approval for the amendment of the current Local Land Charges fees from 1st November 2021. The report also provides a general update on the service.

2. BACKGROUND

- 2.1. The Local Land Charges service provides land and property information to the legal sector in the conveyancing process. Information contained in a local search will reveal any binding obligations and other information that may affect a potential purchaser. Such information is also needed on new mortgages of a property to ensure the lender is getting good security for their money. The fees and charges for the service have not been reviewed for some years and a new fee structure is essential to secure full costs recovery.

Team structure

- 2.2. Local Land Charges tends to be a small administrative service within local authorities. The team at the Council currently sits within Legal Services and has a 1.2 FTE. The time is split about 80/20 between undertaking searches and maintaining the Local Land Charges Register (LLCR) with information provided on registrable charges from relevant originating authorities.
- 2.3. Local authorities have been set a 10-day time limit by the Government to return a local search. The Council's turnaround time has reduced from 4.57 in 2017 to 3.29 in 2021.

- 2.4. The team provides an excellent service and has been shortlisted in the industry for the Local Authority Searches Team of the Year in 2021 and 2020 Awards of Excellence.

Search options

- 2.5. The main application forms for a local search are currently 'LLC1' for a land charges search and 'CON29' for a local enquiries search.
- 2.6. There are several optional additional enquiries that can be applied for using 'CON29O' form.
- 2.7. As a two-tier authority, the Council must request information relating to highways from Hampshire County Council (HCC) in order to be able to complete the local enquiries search reply ('CON29' and, where applied for, the 'CON29O'). Currently, the fee charged by HCC for each of these elements of the search is £49.20, a £1.20 increase from last year.
- 2.8. The current cost for a CON29O enquiry answered by HCC is not recovered in full by the Council.

3. DETAILS OF THE PROPOSAL

General

- 3.1. Under the Local Authorities (England) (Charges for Property Searches) Regulations 2008, local authorities may only charge on a cost recovery basis and do no more than breakeven on the Local Land Charges service over a three-year period.
- 3.2. The current costs are not recovered in full by the Council by the cost recovery model, and therefore the Council does not break even on the service.
- 3.3. Of all districts in Hampshire, the Council's fees are currently the fourth cheapest. Some have a different fee scale for residential and commercial properties. The comparison with Hampshire authorities is outlined in Appendix B.
- 3.4. It is proposed that fees are amended for the ongoing service to achieve full cost recovery. The proposed new fee scale is outlined in Appendix A.
- 3.5. It is also proposed that a new £25 collation fee be introduced for LLC staff time taken to retrieve environmental information from the archives and the disbursement costs in transferring the information to the applicant, which local authorities are able to do under the Environmental Information Regulations 2004. Currently, the Council send large format plans by post and meet any costs incurred as a result.

Alternative Options

- 3.6. No change. Fees would remain unchanged.

4. IMPLICATIONS (of proposed course of action)

Risks

- 4.1. The Council could lose business by being undercut by personal search companies (PSCs) to whom local authority-held Local Land Charges data is available without charge under the Environmental Information Regulations 2004. As a risk, however, increase in the utilisation of PSCs, which do not offer official searches, should be categorised as high impact but low likelihood.

Legal Implications

- 4.2. The Council is obliged to work within the relevant regulations to avoid any income over and above a costs recovery basis. Other than that there are no legal implications for this report.

Financial and Resource Implications

- 4.3. If fees are not increased, full cost recovery is not achieved and there will continue to be a budgetary shortfall in running the local land charges service.

Equalities Impact Implications

- 4.4. There are no equalities implications arising from this report.

5. CONCLUSIONS

- 5.1. The new fee scale is recommended to the Cabinet to be implemented from 1st December 2021 to ensure full cost recovery is achieved.

BACKGROUND DOCUMENTS: None

CONTACT DETAILS:

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Appendix A Current and proposed fees

Service (Current Fees)	Form	Net	VAT	Total	Service (Proposed Fees)	Form	Net	VAT	Total
Land charges search	LLC1	£36	x	£36	Land charges search	LLC1	£48	x	£48
Local enquiries search ¹	CON29	£91	£18.20	£109.20	Local enquiries search	CON29	£135	£27	£162
LLC1 extra parcel		£6	x	£6	LLC1 extra parcel		£8	x	£8
CON29 extra parcel		£9	£1.80	£10.80	CON29 extra parcel		£15	£3	£18
Optional enquiry 4, 21, or 22 ²	CON29O	£32.50	£6.50	£39	Optional enquiry 4, 21, or 22	CON29O	£55	£11	£66
Optional enquiry 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, or 20 ³	CON29O	£10	£2	£12	Optional enquiry 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, or 20	CON29O	£15	£3	£18

¹ Including the highways search fee element which is charged by HCC

² HCC elements of CON29O

³ RBC elements of CON29O

Appendix B Current fees charged by all districts in Hampshire

Hampshire	Fees for Local Search	Fees for Land Charges Search	Fees for Local Enquiries Search
<u>Southampton (unitary)</u>	£81.60	£18.00	£63.60
<u>Portsmouth (unitary)</u>	£126.00	£30.00	£96.00
<u>New Forest (residential)</u>	£136.00	£40.00	£96.00
<u>Rushmoor</u>	£145.20	£36.00	£109.20
<u>Hart</u>	£146.00	£50.00	£96.00
<u>Gosport</u>	£158.00	£28.00	£130.00
<u>Basingstoke and Deane</u>	£162.00	£42.00	£120.00
<u>Havant (residential)</u>	£173.40	£20.40	£153.00
<u>New Forest (commercial)</u>	£182.00	£50.00	£132.00
<u>Gosport Paper</u>	£187.00	£32.00	£155.00
<u>Eastleigh</u>	£189.00	£49.70	£139.30
<u>East Hampshire</u>	£193.80	£40.80	£153.00
<u>Havant (commercial)</u>	£204.00	£20.40	£183.60
<u>Fareham</u>	£210.00	£36.00	£174.00