

## **Cabinet – 18<sup>th</sup> April 2007**

### **Local Land Charges Registry Search Fee**

**Portfolio:** Councillor Adrian Andrew - Regeneration & Enterprise

**Service:** Planning and Building Control

**Wards:** All

**Key decisions:** Yes

**Forward plan:** Yes

#### **Summary of report**

The report examines a number of options available to set the cost of submitting a local land charges property search to the council due to the deregulation of the statutory fee on 1<sup>st</sup> April 2007. It is considered that option 3 is preferable as this would increase the amount of fees received by the council and would give the council a stronger trading position by being more competitive with private search companies without increasing the cost of the full search to existing customers and citizens.

#### **Recommendations**

- (1) That Cabinet approve the price structure for Part 1 and Part 2 of the local land Registry searches as set out in option 3.
- (2) That the new price structure commences on 1<sup>st</sup> May 2007.

#### **Resource and legal considerations**

From 1<sup>st</sup> April 2007 the Department for Communities and Local Government has provided a legal basis for charging by local authorities for land searches so long as this is not set at levels that would be anti-competitive with regard to the trading of private search companies. The council would be able to cover its cost of providing this service.

Unlike many council's who are losing out to the competition from private search companies, Walsall has seen a slight upturn in the number of searches recently received. This is due to service improvements that were put in place in December 2006 around the provision of additional information in the search. This added value has been well received by customers who would normally have to request such additional information, if required, separately thus increasing the time of their conveyance.

There are two parts to a full search, Part 1 is information maintained by the local land charges team which is held on a statutory register and available for a statutory fee of £6. From 1<sup>st</sup> April 2007 this fee will be deregulated and can be set by councils. Part 2 is a set of questions laid down by the Law Society with the fee set at the discretion of the local authority. Currently Walsall charges £118.00 which compares to about the average

cost charged by other West Midland Metropolitan Councils. Private search companies who are in direct competition with council's for this part of the search charge approximately the same although they offer a £20 cash back to solicitors in order to try to gain business. The potential opportunities are set out in the attached appendix.

It is considered that Option 3, to increase Part 1 fee by £16.50 and reduce the cost of Part 2 fee by £16.50 to £101.50 is the preferred choice as this would raise an additional £35,277 in fee income. Historically Part 2 fees have cross subsidised the relatively low cost of the Part 1 statutory fee and therefore raising the fee to £22.50 will cover the actual costs involved. Consequently it is proposed that in order to avoid increasing the total cost of a full search, the Part 2 fee should be reduced by £16.50. This would have the effect of no increase to existing or potential customers, thereby maintaining a strong competitive position in the market place with no loss of fee income.

### **Citizen impact**

Although a small number of searches are undertaken by individuals the vast majority of searches are from solicitors or conveyancers. It is essential for everyone to have an efficient and effective service when buying or selling a home in the Borough.

### **Community safety**

No specific issues arising from this report

### **Environmental impact**

No specific issues arising from this report

### **Performance and risk management issues**

Due to an unprecedented increase in competition and rising income targets the Local Land Charges Team under recovered the budgeted income target in 2005/6 by £235k and have only slightly improved on this position in 2006/7. The target fee income has been adjusted for 2007/8 and it is expected that subject to setting an appropriate fee structure and maintaining the same number of searches the service will meet its fee income target in March 2008.

### **Equality implications**

No specific issues arising from this report

### **Consultation**

The Local Land Charges Institute and benchmarking with other West Midlands authorities and the West Midlands and Warwickshire Property Search Forum.

At present confirmation has only been received from Birmingham that they are to raise their fee from £6 to £11 but as Birmingham undertake many more searches than Walsall this comparison is of little value. Other authorities are still considering their position.

## Vision 2008

Vision 8: Strengthen the local economy

Vision 10: Transform Walsall into an excellent local authority

## Background papers

Local Land Charges Institute member update, February 2007; Department for Communities and Local Government, 16 November 2006, Legal Basis for Charging by Local Authorities for Land Searches.

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Tim Johnson  
Executive Director

3 April 2007



Councillor Adrian Andrew  
Portfolio holder

3 April 2007

## Appendix

### Options for the proposed setting of the local land charges property search following deregulation of the statutory fee on 1<sup>st</sup> April 2007

Option	Proposal	Cost of Part 1 search	Cost of Part 2 search	Total Cost
<b>1</b>	To leave fees set at current levels	<b>£6</b>	<b>£118</b>	<b>£124</b>
<b>2</b>	To increase Part 1 fee by £16.50 to £22.50 in order to reflect the true cost and make no change to Part 2 fee.	<b>£22.50</b>	<b>£118</b>	<b>£140.50</b>
<b>3</b>	To increase Part 1 fee by £16.50 and reduce the cost of Part 2 fee by £16:50 to £101.50	<b>£22.50</b>	<b>£101.50</b>	<b>£124</b>