



Report to Policy Committee

Author/Lead Officer of Report: Victoria Clayton
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Report of: *Chief Operating Officer*

Report to: *Strategy & Resources Committee*

Date of Decision: *12th July 2023*

Subject: *Local Land Charges – Proposed Fee Increases*

Type of Equality Impact Assessment (EIA) undertaken	Initial <input checked="" type="checkbox"/>	Full <input type="checkbox"/>
Insert EIA reference number and attach EIA	2225	
Has appropriate consultation/engagement taken place?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

Purpose of Report:

The Local Land Charges team provide property information to customers to support the conveyancing process of residential and commercial property. This report seeks approval to increase the fees charged in accordance with the relevant legislation.

Recommendations:

It is recommended that the Strategy and Resources Committee:

- *Approves the proposed increase to the fees charged by the Local Land Charges Team in accordance with Table 1 below from 1st August 2023.*
- *Delegates to the General Council annual changes to the Local Land Charges fees, on a cost recovery basis in consultation with the Section 151 officer.*

Background Papers:*None*

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed.	Finance: Natalie Smith, Assistant Finance Manager
		Legal: Nadine Wynter, Service Manager Legal Services
		Equalities & Consultation: Ed Sexton, Equalities and Involvement Officer
		Climate: Kathryn Warrington, Sustainability Programme Officer
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	SLB member who approved submission:	Tony Kirkham
3	Committee Chair consulted:	Cllr Tom Hunt
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Victoria Clayton	Job Title: Planning & Highways Lawyer
	Date: 3.7.23	

1. PROPOSAL

- 1.1 Legislation requires that these fees should be calculated with reference to the costs of providing the service. A review of the cost of these services shows that the cost has increased. Therefore the proposed fee increases shown at Table 1 below can be justified.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 Ensuring that this service recovers costs where it is lawful to do so, enables the authority to continue to provide a responsive, customer focused Local Land Charges service for the benefit of the people of Sheffield and others that use our service to support property transactions occurring in the city.

- 2.2 The two main search products produced by the Local Land Charges team are known in the industry as the LLC1, which is a search of the Local Land Charges Register and the Con29, which is a set of questions relating to the property being searched against.

Broadly speaking, the main changes to the cost of service include staff pay changes and also a reduction in time spent on the Con29 in certain departments due to more automation providing efficiencies.

The LLC1 is currently charged at £30 per search. Finance have reviewed the cost recovery calculations and have advised that the cost of the LLC1 should be increased to £36.50.

The Con29 currently costs £75 including VAT per search. Finance have reviewed the cost recovery calculations and have advised that the cost of the Con29 should be increased slightly to £75.60 including VAT.

In addition to the two main products, the Local Land Charges team provide several ancillary services relating to the searches conducted prior to a property transaction taking place. On the basis that the cost recovery calculations of the two main products have suggested an average increase of 11%, it is proposed to raise the cost of these services by 11% also. This proposal would result in fees being increased as outlined in this Table 1:

TABLE 1:

<i>Product</i>	<i>22/23 fees</i>	<i>23/24 proposed fees</i>
<i>LLC1</i>	<i>£30</i>	<i>£36.50</i>
<i>Con29</i>	<i>£75 inc VAT</i>	<i>£75.60 inc VAT</i>
<i>LLC1 Extra Assessment</i>	<i>£1.05</i>	<i>£1.15</i>
<i>Con29 Extra Assessment</i>	<i>£12.48 inc VAT</i>	<i>£13.80 inc VAT</i>
<i>Expedited LLC1</i>	<i>£41.50</i>	<i>£46.10</i>
<i>Expedited Con29</i>	<i>£119.44 inc VAT</i>	<i>£132.60 inc VAT</i>
<i>Con29 Optional Question</i>	<i>£10.40 inc VAT</i>	<i>£11.40 inc VAT</i>

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There is no requirement to consult on this proposal. Customers of this service are typically conveyancing solicitors or property search companies that are familiar with fee changes in accordance with the legislation.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 The increase in Local Land Charges applies to all applicants equally and no impacts have been identified for our Public Sector Equality Duty to eliminate unlawful discrimination, harassment or victimisation and advance equality of opportunity. The increased fees support fostering good relations through being able to continue to provide a responsive and customer focused Local Land Charges service for the benefit of the people of Sheffield and others that use the service to facilitate property transactions occurring in the city. The charges increase is very minimal in terms of overall cost of buying or selling land/property or conveyancing.

4.2 Financial and Commercial Implications

- 4.2.1 In calculating the price increase consideration has been given to inflationary cost increases, changes to the time taken in undertaking the work, service overheads and anticipated activity levels.

The proposed increases on the price of the LLC1 and Con29 searches, plus the other searches undertaken will ensure cost recovery of the service, subject to activity levels.

4.3 Legal Implications

- 4.3.1 The LLC1 is an official search of the Local Land Charges Register. Where a Local Authority has not yet migrated its Local Land Charges Register to the Her Majesty's Land Registry, the costs of providing this service need to be calculated in accordance with Section 13A Local Land Charges Act 1975¹. Broadly speaking, it requires that the fees charged for each service does not exceed the costs of providing the service (S.13A(5)) and requires us to also have regard to any guidance issued by the Chancellor (S.13A(9)). That guidance² warns that undercharging for the service may have anticompetitive implications.
- 4.3.2 The Local Authorities (England) (Charges for Property Searches) Regulations 2008 set out how charges relating to the Con29 should be calculated. Where authorities provide answers to the questions contained within the Con29, the charges need to be in accordance with Regulation 8. This advises that charges can be made at the local authority's discretion but must have regard to the costs to the local authority of answering enquiries about the property.

4.4 Climate Implications

¹ Where an authority has already migrated its' Local Land Charges Register to the Land Registry, it no longer has authority to set search fees, for that reason this section has been conditionally repealed depending on whether that migration has taken place. Sheffield still retains its own Local Land Charges Register.

² [Guidance for Registering Authorities on Setting Fees for Local Land Charge Services in England CM 7026 \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/guidance/2019-07-11-guidance-for-registering-authorities-on-setting-fees-for-local-land-charge-services-in-england-cm-7026)

4.4.1 There are no anticipated climate implications of this decision.

4.4 Other Implications

4.4.1 The Local Land Charges Service is currently in the early engagement phase of the project with the Land Registry to migrate the Local Land Charges Register so that the LLC1 search will be conducted through the Land Registry's portal and the search fee will be retained by the Land Registry. This project will take up significant staff time and whilst some financial support is available, it is expected that some core funding will be required to ensure the delivery of a smooth transition. Given that this service is expecting to utilise core funding in the future for this purpose, ensuring that costs are recovered where the legislation provides for this mitigates against future pressures on core funding.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 If the fees are not increased to continue to recover the costs of providing these services, the service will be subsidised from core funding which is already under significant pressure. Where statute allows for the cost of a service to be recovered from the customer, and council undercovers those costs, this impacts on the council's ability to provide other services to the people of Sheffield.

6. REASONS FOR RECOMMENDATIONS

6.1 Recovering the costs of these services enables the Local Land Charges Team to continue to provide an excellent service to customers, supporting property transactions within Sheffield.

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