

---

**LOCAL LAND CHARGES – ADJUSTMENT OF FEES**

---

**Responsible Cabinet Member - Councillor Stephen Harker,  
Resource Management Portfolio**

**Responsible Director – Paul Wildsmith, Director of Corporate Services**

---

**Purpose of Report**

1. To seek authority to reduce the level of fees charged by the local land charges service.

**Information and Analysis**

**Background**

2. As a result of a change in legislation, from the 1st April 2007 local authorities are required to set fees on the basis of the cost of provision. Local authorities are not allowed to make a profit from charges. As a result local authorities nationally are having to revise their charges and for the most part to reduce them. Guidance on fee setting was issued by the Department for Constitutional Affairs on the 31st January 2007. The guidance does not prescribe a methodology to be followed, but recommends that authorities should calculate the cost of providing the services and then work out the unit cost of those services.
3. The process of setting fees has this year been made more complex because of market uncertainty over the impact over the introduction of Home Information Packs (HIPs). HIPs were originally planned to be introduced from the 1 June 2007. In the event the implementation date was changed to 1st August 2007 and then only in relation to 4 bedroom properties. From 10 September 2007 HIPs have also applied to 3 bedroom properties. It has been anticipated that the advent of HIPs would reduce local authority searches that are undertaken. The market place uncertainty has been further complicated by the delay in the implementation of HIPs and has made estimating volumes of activity difficult.
4. A further complication arises from the current unsettled state of the housing market. Current financial uncertainty is likely to have an impact on the availability of mortgages and there is a likelihood of house price values declining and a slowdown in housing market activity. A survey conducted by the Royal Institute of Chartered Surveyors in August 2007 noted that as far as the north of the country is concerned 'House price growth slowed for the second consecutive month, with prices showing signs of stabilising. New buyer enquiries declined for the fourth consecutive month and at the fastest pace since June. New vendor instructions fell for the third consecutive month, although the pace of decline halved. Surveyor confidence in price outlook dropped sharply, falling to its lowest level since last April. Confidence in sales outlook also deteriorated, falling to its lowest level since December 2004'.

5. Another factor that has relevance to the volume of local land charges work has been the growth of personal search companies. Like many other authorities we used to limit the number of personal search company requests we would deal with per day from each company in order to be able to manage workloads. The limit that had been set was 3 searches per day per company. In September 2005 an Office of Fair Trading (OFT) Study into Property Searches in England and Wales was completed. One of its recommendations was that local authorities should make their property information available to third parties on non-discriminatory terms. Accordingly and in response to the OFT market study from 14 December 2005 the 3 search per company per day limit was removed. As a result this has contributed to the growth of personal searches undertaken. In 2002 the number of personal searches undertaken was 682, for the financial year 2006/2007 this had risen to 1,666. Conversely in 2002 the number of full searches undertaken was 3,268. For the financial year 2006/2007 this had fallen to 1,959.
6. Income generated from the local land charges service in previous years has been significant. In 2001/2002 a surplus of £308,367 was made. For the year 2006/07 a surplus of £172,170, a figure which was similar to the two previous years.
7. Because of market place uncertainty, we have been cautious in our approach to revising the scale of fees. This has also been the position with other authorities in the region, the majority of whom have yet to revise their fees. We had felt it better to seek to gain more understanding of the market place before undertaking a revision of fees.

### **Proposed changes**

8. It is proposed to vary the fees for other local land services relating to local land charges as set out in Appendix 1 (Note – the fee for personal searches is set by statute and cannot be altered by the Council). As can be seen from the table what is being proposed are significant downward variations in the scale of fees charged. For instance it is proposed to reduce the cost of undertaking a full search from £129 to £82.
9. The revised fees have been calculated on the assumption that the current cost of provision remains unchanged and on the basis that there is a 10% reduction in transaction numbers compared to previous years. The fees payable are set at a level to cover but not exceed the cost of providing the service.
10. It is proposed to implement the new scale of fees from 12 November 2007, which will allow sufficient time to publicise the revised fees.

### **Further review**

11. The level of income generated from fees will need to be kept under close review to ensure that it reflects the cost of provision and it is proposed to undertake a further review of the scale of fees in the next financial year in order to allow appropriate adjustments to be made.

### **Financial Implications**

12. The reduction in fees will reduce income to the Council by £119,660 pa. This reduction will have to be managed in the next review to the Council's Medium Term Financial Plan.

## **Outcome of Consultation**

13. There has been no formal consultation undertaken with external persons or organisations.

## **Legal Implications**

14. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

## **Section 17 of the Crime and Disorder Act 1998**

15. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

## **Council Policy Framework**

16. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

## **Decision Deadline**

17. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

## **Recommendation**

18. It is recommended that Members approve the revised local land charges fees as set out in this report.

## **Reasons**

19. The recommendation is supported to enable the local land charges service to bring its scale of fees in line with the cost of provision.

**Paul Wildsmith**  
**Director of Corporate Services**

## **Background Papers**

- (i) Guidance for Registering Authorities on Setting Fees for Local Land Charge Services in England – January 2007
- (ii) Section 13A Local Land Charges Act 1975
- (iii) Royal Institute of Chartered Surveyors – Housing Market Survey, August 2007

Luke Swinhoe : Extension 2055

**Proposed scale of fees from 12.1107**

<b>Standard Search</b> .....	£82.00 (£129.00)
<b>Con 29 Required</b>	
<b>1 Parcel of Land</b> .....	£76.00 (£123.00)
<b>Several Parcels of Land</b> .....	<b>1st Parcel of Land</b> . £76.00 (£123.00)
	<b>Each Addition</b> ..... £25.00 (£30.00)
<b>Con 29 Optional</b> .....	<b>Each Printed Enquiry</b> £10.00 ... (£18.00)
<b>Own Questions</b> .....	£20.00
<b>Official Search – LLC1</b> .....	£6.00
	VIA NLIS (National Land Information Service) £4.00
<b>Expedited Search</b> .....	£170.00 (£275.00)
<b>Personal Search</b> .....	£11.00
<b>Additional written enquiries received after a search has been completed ...</b>	£20.00
<b>Faxing Searches</b> .....	£15.00 (£20.00)
<b>Requesting photocopy of a search</b> .....	£15.00 (£20.00)
<b>Copy Documents – (each)</b>	£15.00 (£16.00)
<b>CR21 Form/or Q22 - Register of Common Land and Town or Village Greens</b>	£10.00 (£14.00)

Note : where fees have changed former fee is indicated in brackets