

Report title	Land Charges Migration
Report author	Mario Leo
Department	Law and Governance
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:
To resolve

Synopsis of report:
To advise of the ongoing work with His Majesty’s Land Registry (HMLR) in connection with the migration of part of Council’s Local Land Charges service to the HMLR. The report also seeks approval as to the allocation of the HMLR Transitional Payment made to the Council.

Recommendation(s):

- 1) Note the requirement for the migration of Land Charges to HM Land Registry**
- 2) Gives approval to allocation of the external funding to support the costs of data cleansing and other migration costs**
- 3) To note that the loss of income from 2024/25 will be added to the MTFS and future savings targets**

1. Context and background of report

1.1 Every local authority is required to migrate its Local Land Charges register service to His Majesty’s Land Registry (HMLR). This is part of the Government’s commitment to make the home buying process simpler, faster and cheaper. HMLR has escalated its migration programme and has allocated Runnymede for migration in 2024/2025.

2. Report and, where applicable, options considered and recommended

2.1 A Local Land Charge is a restriction on a piece of land or property that can limit its use or bind the owner to a payment of a sum of money. Charges can include:

- planning decisions
- road agreements
- tree preservation orders
- conservation areas and listed buildings notices

- environmental health notices
 - charges or objections made against previous owners
- 2.2 The Infrastructure Act 2015 provides for the transfer of responsibility for Local Land Charges in England and Wales from local authorities to HMLR. Under these provisions, HMLR will provide a single, digital Local Land Charges register for England and Wales.
- 2.3 There are three parts to Local Land Charges. Once migration has taken place, the Council will cease to provide Local Land Charges searches (Part 1- LLC1 searches, (the register)) and customers will carry out and obtain instant local searches from HMLR via a national portal. Part 1, the LLC1 holds information about the property such as restrictions, prohibitions, Conditional Planning Consents, Enforcement and financial requirements.
- 2.4 The Council will however continue to provide CON 29 enquiries (Parts 2 and 3) which relate to a wider range of enquiries, including Planning and Building Control and are usually made when buying the property. These include matters that may affect the property such as major road proposals, traffic schemes, and road adoption status.
- 2.5 The migration is a complex issue. The Council has been required to enter into a Collaboration Agreement and Development Plan with HMLR. This establishes a framework to govern each parties rights and obligations under the Local Land Charges Programme. In particular, the parties agree to:
- Discuss the authority data with the other
 - Share and discuss the results of collaboration
 - Analyse the data and take remedial action in relation to incorrect entries
 - Act in good faith to support the migration process
- 2.6 Under the Collaboration Agreement the Council is required to appoint a Senior Responsible Officer (Corporate Head of Law and Governance) for the Migration to provide overall strategic oversight and direction and an Operational Leader (Local Land Charges Manager) accountable for day-to-day delivery of the migration. The Council will also agree a Delivery Plan for the project.
- 2.7 The Delivery Plan sets out the timetable for the migration process and commits the Council to deliver the migration of Local Land Charges by a specified date. For Runnymede this is still to be agreed but is the 24/25 Financial Year with a more specific timeline to be agreed. The Council will receive a burdens payment within 3 months of migration that covers the cost of:
- extraction of data from current digital systems
 - data preparation
 - providing updates to the register during migration
 - resolution of enquiries arising during the migration process
 - payment for the one-off activities and first 3 years of additional work to add, vary and cancel charges will be made at the same time
- 2.8 Once the migration process is complete, the Chief Land Registrar issues a formal notice to the Council informing it of the date on which the Registrar will assume the Local Land Charges function for the borough. After migration, the Council will continue to provide replies to CON 29 enquiry searches, which relate to a range of departmental and highways enquiries. In addition, the Council will still be required to

apply new registrations, internal and from external organisations and amend, update and cancel charges in the new register. All further enquiries following on from a HMLR search are the responsibility of the Council to respond to and any discrepancies will still be the responsibility of the Council, hence the Council's insurance in respect of Local Land Charges will still be required.

- 2.9 The migration of the Local Land Charges service will have financial implications for the Council as set out below. Once the Chief Land Registrar has assumed the Local Land Charges function for the borough, the Council will no longer carry out all Local Land Charges searches (Part 1 searches) with a resultant loss of income.
- 2.10 Customers will access the new service via an online portal created by HMLR. This is aimed at speeding up delivery and there will be a uniform charge across the country.
- 2.11 The financial impact on the Council of this exercise is as follows. There are 3 parts to a Local Authority Land Charges official search. Part 1 known as LLC1 (Land Charges Register) and Parts 2 and 3 (CON 29). Once the migration has been complete, HMLR will provide replies to Part 1(LLC1). The current fee the Council charges is £50.00 no VAT on this section, and this will instead go to HMLR.
- 2.12 The Council will continue to provide replies to Part 2 and 3 (CON 29 enquiries). The fee varies for Part 2 (the standard CON 29 enquiries) from £205 incl VAT to £260 incl VAT per search. For Part 3 (CON 29 Optional enquiries) £21.00 incl VAT to £399.00 incl VAT depending on how many are requested. This payment will still be made to the Council. Officers will review the Part 2 and 3 fees and charges to ensure full cost recovery.
- 2.13 The Council's budgeted income for Local Land Charges is currently £254,900 per annum. In 2022/23 the Council generated £214,841 income for Part 1 and Part 2 & 3 searches combined. It is estimated that the migration of Part 1 Local Land Charges to HMLR will result in a loss of approximately £49,600 budgeted income to the Council in 2024/25.
- 2.14 To support the Council, a transition payment will be given to address any practical challenges to undertaking the work to migrate the data. The Council has been allocated to receive a total payment of £60K divided into 2 payments. The 2 separate payments are made when two key milestones are met. The first payment (£20K) will be issued when the Delivery Plan is agreed and signed. After the service goes live and the register is migrated, the Council will receive the second final payment (£40K). If the agreed go live date is not met there will be a deduction of 2.5% of the second payment each week until the service goes live officially.

3. Policy framework implications

- 3.1 There are none as this measure is mandated by legislation and the Council cannot prevent the exercise.

4 Resource implications/Value for Money

- 4.1 The migration of Part 1 Local Land Charges to HMLR will result in a loss of income of approximately £49,600 from 2024/25 onwards. The Government has indicated that local authorities may receive additional funding for the first three years after their service is migrated to cover:

- additional activities undertaken in the period immediately after a local authority goes live
- work in applying to add, vary and cancel charges that is additional to that required under the previous process

4.2 The one off transition payment of £60,000 should cover the Council's migration costs but will not cover the first year's loss of income. As set out above, at this time further amounts and duration of any other funding is unknown. Officers will seek further information during the migration process, however, without additional funding this change will mean the Council will lose £49,000 in income putting further strain on the Council's finances.

5. Legal implications

5.1 In 2015, HMLR was given authority under the Infrastructure Act 2015 to create a single, national, digital register of Local Land Charges across England and Wales. The Local Land Charges Register whether operated by the Council or HMLR is a statutory duty function and data must therefore be registered in a specific way. Whilst there are no legal implications as such, incorrectly registered data could expose the Council to claims from customers of the HMLR, therefore it is important to maintain adequate insurance cover.

6. Equality implications

6.1 An assisted digital process will be available for anyone who cannot access the HMLR GOV.UK Service. Essentially customers will contact their HMLR LLC Processing Team and they will undertake the search on their behalf. As the Council moves towards a go live date, all relevant customers will be informed of the change. At this point possible targeted solutions will be considered for any customers who might be digitally excluded.

7. Environmental/Sustainability/Biodiversity implications

7.1 None from this report.

8. Other implications

8.1 The Council has a small team dedicated to delivering this service and staffing needs will be reviewed once the volume of work left with the Council is better understood. This exercise does not involve a transfer of staff from the Council to the HMLR.

8.2 The report illustrates that the transfer of key parts of the Local Land Charges service (the LLC Register) is set down in legislation, therefore no alternative course of action is available to the Council.

The risks are:

- i. loss of transition funds if migration is delayed.
- ii. loss of income, as set out.
- iii. retain responsibility for data and associated liabilities for any material errors in the data.

9. Timetable for Implementation

9.1 Once the Collaboration Agreement and Development Plan is executed work will progress on agreeing a timetable with HMLR. As advised above this exercise is scheduled to be completed during the Financial Year 2024/25

10. Background papers

None

11. Appendices

None