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Foreword

Her Majesty’s Land Registry (referred to in this document as Land Registry) has been a non-ministerial government department since 1862 and is one of the oldest land registration organisations in the world. It is integral to the stable and effective functioning of the property market in England and Wales. It was established as an executive agency of the Lord Chancellor in July 1990 and as a Trading Fund in April 1993.

In July 2011 it was announced under the Machinery of Government changes, Land Registry would move to the Department for Business Innovation and Skills (BIS). As part of these changes Land Registry became a founding member of the Public Data Group (PDG), alongside Companies House, Met Office and Ordnance Survey. The PDG seeks to develop existing best practice around the availability of publicly owned data.

This framework document replaces the previous version from 2008 and is a new statement of Land Registry’s legal position, reflecting its status as a non-ministerial government department, an executive agency and a Trading Fund. It sets out the governance arrangements and explains the financial and business management of the department.

Malcolm Dawson
Chief Land Registrar and Chief Executive
November 2012
1  Status and Function

Status

1.1. Land Registry is a non-ministerial government department. It is also an Executive Agency of the Department for Business Innovation and Skills (BIS) and a Trading Fund in accordance with the Government Trading Funds Act 1973, as amended by the Government Trading Act 1990.

1.2. Land Registry’s functions are entirely statutory and it has the powers vested in it by the Land Registration Act 2002 (The Act). It has no prerogative powers.

1.3. Land Registry’s existence was expressly continued by section 99(1) of the Act which provides that it “is to deal with the business of registration under this Act”.

1.4. The Land Registry Trading Fund Order 1993, the Land Registry Trading Fund (Extension and Amendment) Order 2003 and the current Treasury Minute are set out in Annex A.

1.5. Land Registry's current Mission, Principal Aims and Objectives as defined in the Business Plan which is published on its website.

Functions

1.6. The main statutory function of Land Registry is to keep a register of title to freehold and leasehold land throughout England and Wales. On behalf of the Crown, it guarantees title to registered estates and interests in land.

1.7. In addition to the registration of title, Land Registry also has responsibility for the functions of the Land Charges and the Agricultural Credits Departments.

1.8. The Land Charges Department operates under the authority of the Land Charges Act 1972. It maintains registers of land charges, pending actions, writs and orders affecting land and other encumbrances registered against the named owners of property not registered under The Act.

1.9. The Agricultural Credits Department is responsible for maintaining a register of short-term loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

1.10. Under The Act, Land Registry is able to provide or arrange for the provision of consultancy or advisory services about the registration of land in England and Wales or elsewhere.
2 Governance Framework

These corporate governance and accountability arrangements have drawn on best practice in both the public and private sectors. The governance framework of Land Registry includes:

— the Secretary of State for BIS;
— the Land Registry Board (“the Board”), under an independent non-executive Chair; and
— the Chief Land Registrar who is the Chief Executive and who leads and manages business delivery and is accountable to Parliament (“Chief Land Registrar”).

Detailed roles and accountabilities are set out in Annex B and are summarised as follows:

Secretary of State for BIS

2.1. The Secretary of State for BIS has ministerial responsibility for Land Registry and for the legislation under which it operates, which is delegated to the chosen BIS Minister (the “Minister”). The Minister approves Land Registry’s five year strategy (“Business Strategy”), the annual budget and the annual key performance indicators (“Business Plan”) and the framework.

2.2. In accordance with the Land Registration Act, the Minister can also make rules, regulations and orders.

2.3. The Minister is also responsible for appointing the Chair and Chief Land Registrar.

The Land Registry Board

2.4. Led by an independent, non-executive Chair, The Board’s main role is to support, constructively challenge and provide guidance to the Executive Board. It should also ensure that the Land Registry is working within a framework of prudent and effective governance arrangements and controls which enable risk to be appropriately assessed and managed.

2.5. The Board should agree the key activities that Land Registry will need to undertake to meet the strategic objectives (as set out in the Business Plan published on the website), ensure the necessary financial and human resources are in place for it to meet these objectives, and regularly review performance in relation to agreed targets and delivering the approved Business Plan. The Board should set the Land Registry’s values and ensure its obligations to BIS, as its sponsor department, and all its various other stakeholders (including customers, employees and other Government departments) are understood and met.

2.6. In discharging this role, the Board is required to approve certain categories of business decisions (set out in Annex C).

2.7. On those issues falling within the terms of reference of the Board, and requiring direct approval by the Minister, the Board will work with the wider executive team in the development of
recommendations, which it then scrutinises and endorses before formal advice is submitted.

2.8. The Board comprises senior Executives and Non-Executive Directors (NEDs). The Shareholder Executive is represented as a NED on the Board. The role and composition of the Board is set out in detail in Annex B.

2.9. The Board has two subcommittees, each chaired by NED: the Audit Committee and the Remuneration & Nomination Committee.

Chair

2.10. The Chair is responsible to the Minister for leading the Board and ensuring that it is effective in discharging its role. This includes ensuring that the Board acts in line with the best practice set out in the UK Corporate Governance Code as well as working with the Board to ensure appropriate oversight and governance of the strategy, plans and performance of Land Registry.

2.11. The Chair will, in consultation with the Chief Land Registrar and the Remuneration & Nomination Committee, determine the make-up of the Board. The Chair has direct responsibility to advise the Minister on the effectiveness of the Board and of material issues impacting on the Land Registry. The Chair will also be a member of the PDG Board.

Chief Land Registrar

2.12. The role of the Chief Land Registrar is to carry out this role as referred to in the Land Registration Act 2002, the Land Charges Act 1972 and the Agricultural Credits Act 1928. The Chief Land Registrar is responsible for keeping the registers established for the purposes of those Acts and has all the powers, responsibilities and duties conferred and imposed on the registrar by those Acts and by the rules and other secondary legislation made under them. In carrying out those specific operational functions the Chief Land Registrar is not subject to any ministerial control or direction, although is subject to supervision by the court through the judicial review jurisdiction.

2.13. The role of the Chief Land Registrar is also to lead and manage the Land Registry in order to ensure the delivery of the objectives and targets, and in particular the successful implementation of an approved Business Strategy and Business Plan, and compliance with this Framework Document. The Chief Land Registrar will also be a member of the PDG Board.

2.14. The Chief Land Registrar is appointed by the Minister, having taken the appropriate advice, and then appointed by HM Treasury as the Accounting Officer for the Trading Fund and as such, is accountable to Parliament for the proper, effective and efficient use of public funds and may be required to appear before the Public Accounts Committee. The Chief Land
Registrar is responsible for ensuring that the requirements of Government Accounting are met and is also responsible for ensuring any general guidance issued by relevant central government departments is observed and for implementing recommendations of the Parliamentary Accounts Committee (PAC) or other Parliamentary Select Committees if they are accepted by government.

2.15. The Chief Land Registrar will seek the Board’s approval for matters falling within the Board’s terms of reference as published on the Land Registry website.

Governance of Land Registry

2.16. BIS has overall sponsorship responsibility for Land Registry and is answerable for Land Registry in Parliament.

2.17. BIS has the following responsibilities:

— To the extent that activities in Land Registry form part of the delivery of BIS ministerial policy aims, ensure that these aims are being achieved in the most effective and efficient manner;

— Ensuring that Land Registry’s financial systems & procedures and governance arrangements promote a high standard of financial management and propriety; and

— Ensuring that these financial systems and monitoring procedures are adequate and robust.

2.18. The role of the Shareholder Executive (located in BIS) is to provide specialist advice to Ministers and officials across
Government on a wide range of issues. This includes:
— Advising Ministers on the strategic direction of Land Registry in the context of wider departmental or cross-governmental objectives;
— Advising on an appropriate framework for strategic performance management and on in-year performance;

2.19. The Shareholder Executive is represented as a NED on the Land Registry Board.

**Governance Levers**

2.20. The principal levers underpinning this governance framework relate to the approval or recommendation to the Minister of a number of key areas by the Board:
— The Land Registry’s top-level objectives, overall business strategy, and five year Business Strategy;
— An annual Budget, with detailed objectives and targets, for the first 12 months of the Business Strategy;
— Annual Key Performance Indicators supporting the broader Business Strategy;
— Specific major business proposals requiring approval at a level higher than the Executive Board (for example for major investments, rationalisations, contracts or new business ventures); and
— Appointment of the Chair and Chief Land Registrar.

2.21. The Executive Board initiates preparation of proposals in all these areas, apart from the development and review of top-level objectives.

2.22. Annex C lays out the approvals required for each of the key business decisions.
3 Policy Framework

Land Registry delivers its statutory responsibilities including the conduct of the approved Business Strategy, its Trading Fund Orders, its Public Task and general instructions and guidelines as Treasury and Cabinet Office may provide from time to time. It is also bound by policies and standards which are general across government and by some which are more specific to Trading Funds. The main non-financial elements in this framework are set out below.

Public Data Group
3.1. Land Registry is a member of the Public Data Group (“PDG”). The purpose of the PDG is to build on capabilities and existing best practice. The PDG will seek to support growth in the UK economy by delivering efficiencies and improvements in public services through its members. These objectives are additional and incremental to those with which the PDG members are already individually charged.

3.2. The PDG will provide collective advice to the responsible BIS Minister through the PDG Board. Both the Land Registry Chair and Chief Land Registrar are members of the PDG Board.


HM Treasury
3.4. Land Registry will comply with Treasury guidance to government departments and Trading Funds. Any changes to the financial structure of the Trading Fund will be discussed and agreed with HM Treasury.

Cabinet Office
3.5. The Department will follow Cabinet Office guidance given to all government departments, Executive Agencies and Trading Funds.

Her Majesty’s Stationery Office
3.6. Crown copyright is vested in The Controller of Her Majesty’s Stationery Office by Royal Letters Patent. The Controller has delegated powers to the Chief Executive for the day-to-day licensing of crown copyright material. The Controller of HMSO regulates management of Crown copyright by the HMSO Information Fair Trader Scheme.

Rule Committee
3.7. The Rule Committee, as defined in The Act, advises and assists the Minister on the impact of secondary legislation including the raising of new fee orders. The Rule Committee comprises representatives of a number of defined bodies, which can be
supplemented by additional members appointed by the Minister.

**Lord Chancellor**

3.8. As defined in The Act, the Lord Chief Justice must consult the Lord Chancellor before nominating a Chancery Division judge as a member of the Rule Committee.

3.9. The Lord Chancellor will appoint the Adjudicator to Land Registry to determine judicial disputes arising from the work of Land Registry; prescribes the fees, if any, to be paid in proceedings before the Adjudicator; pays his remuneration and reimburses his expenditure. However, the Lord Chancellor is entitled to recover these payments from the Land Registry.
4 Financial Framework

This chapter sets out the broad financial basis on which the Department operates, and related policies and standards.

Financial Strategy

4.1. The Land Registry operates as a Trading Fund in accordance with the Government Trading Funds Act 1973 as amended, the Land Registry Trading Fund Order 1993 and The Land Registry Trading Fund (Extension and Amendment) Order 2003 attached at Annex A.

4.2. The Trading Fund Report and Accounts must satisfy the accounting principles and disclosure requirements of the relevant edition of the relevant sections for a Trading Fund of the Financial Reporting Manual issued annually by the Treasury and take account of the guidance contained in Managing Public Money and Trading Fund guidance.

4.3. Land Registry’s dividends are calculated in line with the Treasury Minute (Annex A) and are payable to the Consolidated Fund.

Planning

4.4. Land Registry will prepare a Business Strategy. The Business Strategy will cover strategic issues over a period of five years and will be reviewed as required, but normally annually. The Business Plan will set out the target Key Performance Indicators and the Budget for the coming financial year and will be produced annually.

4.5. The Business Strategy will:

— state Land Registry’s vision, and strategic objectives;
— include the strategy for meeting top-level objectives over the next five years;
— include a statement as to how the strategy addresses the Public Data Group objectives as laid out in the PDG Terms of Reference dated 19 March 2012;
— include a strategic risk management plan, explaining how risks might best be managed;
— set out Key Performance Indicators, including financial objectives;
— identify key investment projects and/or programmes, new activities or other decisions that will deliver the strategy and targets;
— provide forecasts of anticipated resource needs, including staff;
— set proposed capital expenditure requirements; and
— set out a comprehensive financial analysis and projections across the five year period, including key underlying assumptions.

4.6. As a Trading Fund operating under Managing Public Money and Trading Fund guidance, the Land Registry needs to be run...
on as efficient a basis as possible, consistent with the delivery of its objectives. Managers are continually tasked with eliminating waste, increasing productivity, reducing costs and increasing value for money without threatening the quality that customers require. Internal plans contain specific efficiency targets.

Key Performance Targets
4.7. Key Performance Targets will be reviewed and set each year by the Minister and will be published. Within the Land Registry a range of performance targets will be monitored. At the highest level the Annual Report and Accounts will form the public reporting to demonstrate to stakeholders that it provides value for money and is delivering efficient, effective services in line with customer requirements and broader strategic objectives.

4.8. The relevance of these targets will be reviewed regularly and new targets introduced as appropriate to reflect the changing business and government environment. These targets will be cascaded through the Land Registry as appropriate, including down to individual employee level.

Risk Management
4.9. Land Registry must operate risk management processes at all levels, from strategic risks through to project delivery. The Board and the Audit Committee will review the risk management strategy and, in particular, assess the adequacy of the internal controls operating within all key processes in relation to risk identification, assessment, response and monitoring.

Audit
4.10. In accordance with section 4(5)(b) of the Government Trading Funds Act 1973, the Comptroller and Auditor General is the external auditor.

4.11. The Board and the Chief Land Registrar will make suitable arrangements for the provision of an effective internal audit service, to be procured in a manner that demonstrates best value for money. Internal audits must be conducted in accordance with the objectives and standards of the Government Internal Audit Standards.

Annual Report and Accounts
4.12. The Land Registry will prepare an Annual Report and Accounts, in accordance with such relevant guidance as Treasury and Cabinet Office may issue.

4.13. The Annual Report and Accounts reviews the operations over the previous year, provides details of performance against the objectives and targets and review planned developments. It will meet the accounting and disclosure requirements set by Treasury.

4.14. The Annual Report and Accounts will be submitted to the
Comptroller and Auditor General within an agreed timetable for audit and certification.

4.15. The audited Report and Accounts will be laid before both Houses of Parliament, and will be published including, but not limited to, on the Land Registry's website.
5 Human resources

Terms and conditions of service
5.1 The Department’s employees are civil servants employed on terms and conditions of service consistent with the rules and principles set out in the Civil Service Management Code and the provisions of the Civil Service Pension Scheme. Within this framework, the Chief Land Registrar is responsible for the appointment of staff and for determining their tenure and other conditions of appointment.

5.2 Where the Chief Land Registrar wishes to make proposals for changes to existing terms and conditions of employment that would exceed current management flexibilities, these will need to be agreed with the Treasury and the Cabinet Office as appropriate. There will be consultation with employees and their representatives, including the Trade Unions, on any changes that affect terms and conditions of appointment.

5.3 The Chief Land Registrar is also a civil servant and a member of the Senior Civil Service.

5.4 The Chair and Non-Executive Directors, other than the Shareholder Executive member, are appointed in a private capacity and are not Civil Servants.

HR Strategy and Policy
5.5 The management policies for people aim to achieve a well-motivated, properly trained and developed workforce with appropriate skills to meet the needs of the business and in which individuals are committed to servicing customer needs. Land Registry will continue to encourage and facilitate a two-way flow of information and ideas between management and staff.

5.6 The Chief Land Registrar will develop and maintain an HR strategy which enables Land Registry to recruit, develop, retain and motivate staff in the numbers and with the appropriate skills and expertise required; whilst observing the principle of equitable treatment of all.

5.7 The Chief Land Registrar is responsible for ensuring that the Land Registry complies with statutory requirements in relation to health and safety matters and that management of health and safety reflects relevant guidance and best practice.

Recruitment
5.8 Recruitment will be undertaken on the basis of fair and open competition.

5.9 The Remuneration and Nomination Committee will have an input into (and ultimately endorse) the recruitment process of NEDs.

Pay and Performance
5.10 The Chief Land Registrar is responsible for the performance
management arrangements and the pay and grading of all staff. This includes the ability to make promotions, to deal with inefficiency, disciplinary and grievance matters and for determining pay and grading. In carrying out these responsibilities, the Chief Land Registrar will seek the approval of the Minister for the Civil Service, Cabinet Office or Treasury as appropriate.

5.11 For the Senior Civil Service, this responsibility is exercised within the broad framework set out by the Cabinet Office. The annual review of SCS pay is the responsibility of Land Registry's Remuneration and Nominations Committee.

5.12 For employees below Senior Civil Service level, the Chief Land Registrar has authority for pay bargaining and setting terms and conditions of service. This will be undertaken with the agreement of central departments where appropriate, and after consultation with employees and their trade union representatives.

5.13 The Land Registry is committed to ensuring that its employees are developed and trained so that they are able to make the maximum contribution to its success. Employees will be given the opportunity to participate in their personal development and to link their skills and experience with the needs of the organisation. Employees will be supported, as necessary, by a development strategy that offers technical, professional and managerial training, and appropriate vocational qualifications. All employees will participate in performance assessment procedures, and will be encouraged to discuss their development needs as part of the annual performance appraisal process.

Conduct and Discipline

5.14 The Chief Land Registrar will have full powers in matters relating to the conduct and discipline of all employees. The full range of disciplinary sanctions will be at the Chief Land Registrar’s disposal, including dismissal, loss of pay and posting. A system of grievance and appeals procedures will be available to employees, as set out in published guidance.

Employee Relations

5.15 The Chief Land Registrar will ensure that employees and the recognised Trade Unions are consulted about proposed changes to conditions of service. The Chief Land Registrar will establish arrangements for collective bargaining and consultation with the recognised Trade Unions.

Equality and Diversity

5.16 The Chief Land Registrar will promote best practice in the area of Equal Opportunities and will ensure that employees are provided with a working environment free from discrimination and harassment.
6 Review of the framework document

Review arrangements
6.1 This framework document will be reviewed at intervals of not more than three years, or when it is necessary to do so, and particularly if changes are sought by the Board in the light of experience of the Land Registry’s operation or changes in circumstances. Where terms and conditions of employees are affected, these will be subject to consultation with trade union representatives of the employees.

Publication
6.2 Copies of this framework document and any subsequent revisions will be published and placed in the libraries of the Houses of Parliament.

6.3 Additional copies of this framework document can be obtained free of charge from Public Affairs, Land Registry Head Office, Trafalgar House, 1 Bedford Park, Croydon, CR0 2AQ. An electronic version is available on Land Registry’s website (www.landregistry.gov.uk).
Annex A
Trading Fund Orders & Treasury Minute

Trading Fund Orders

Treasury Minute
HM Land Registry Trading Fund
HM Treasury Minute dated 24 April 2012

1. Section 4(1) of the Government Trading Funds Act 1973 ("the 1973 Act") provides that a Trading Fund established under that Act shall be under the control and management of the responsible Minister (or, where a Trading Fund is established for operations carried on by a person appointed in pursuance of any enactment, that person, if the Order establishing the Trading Fund in accordance with section 1(6) (a) of the 1973 Act) and in the discharge of his functions in relation to the fund it shall be his duty:

(a) To manage the funded operations so that the revenue of the fund:

(i) Consists principally of receipts in respect of goods and services provided in the course of the funded operations, and

(ii) is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to revenue account; and

(b) To achieve such further financial objectives as the Treasury may from time to time, by minute laid before the House of Commons, indicate as having been determined by the responsible Minister (with Treasury concurrence) to be desirable of achievement.

2. The Trading Fund for HM Land Registry was established on 1 April 1993 under the Land Registry Trading Fund Order 1993 (SI 1993 No. 938). Article 3 (2) of that Order provides that the Trading Fund shall be under the control and management of the Chief Land Registrar. Additional assets were appropriated to the Trading Fund on 11 March 1996 under the Land Registry Trading Fund (Additional Assets) Order 1996 (SI 1996 No. 750). On 13 October 2003, the Trading Fund was extended and amended under the Land Registry Trading Fund (Extension and Amendment) Order 2003 (SI 2003 No. 2094).

3. The Secretary of State for the Department of Business, Innovation and Skills, being the responsible Minister for the purposes of section 4(1)(b) of the 1973 Act, has determined (with Treasury concurrence) that a further financial objective desirable of achievement by HM Land Registry to achieve, over the period from 1 April 2012 to 31 March 2017, a return, averaged over the period as a whole, of at least 3.5 per cent real\(^1\) in accordance with Managing Public Money. This will take the form of an operating surplus on ordinary activities post exceptional items and interest (payable and receivable), but

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\(^1\) 3.5% real will be calculated annually as 3.5% plus the latest inflation estimate for that year, provided by ONS. By way of a worked example, for the fiscal year 2012-2013 the financial target will be 6.29%. This has been calculated as \((1+3.5\%) \times (1+2.7\%)\), where 2.7% is the ONS 2012-13 inflation estimate (National Accounts figures from the ONS, http://www.hm-treasury.gov.uk/data_gdp_fig.htm, 22 December 2011).
before dividends, expressed as a percentage of average capital employed. Capital employed shall equate to the total assets from which shall be deducted the total liabilities.

4. This Minute supersedes that dated 15 December 2003.

5. Let a copy of this Minute be laid before the House of Commons pursuant to section 4(1)(b) of the Government Trading Funds Act 1973.

HM Treasury
24 April 2012
Minister

Legal Responsibilities
The Minister has a number of legal responsibilities in relation to Land Registry and the Chief Land Registrar.

— Ministerial responsibility for Land Registry and for the legislation under which it operates;
— Appoints the Chief Land Registrar who will normally hold office until they vacate it in accordance with the terms of his appointment. They may remove the Chief Land Registrar from office if he is unable or unfit to discharge his functions;
— Answerable to Parliament for Land Registry's activities and performance;
— Entitled to receive an annual report from the Chief Land Registrar on the business of Land Registry and must lay copies before Parliament of every such report;
— Has power to make secondary legislation authorised by the Acts, defining the regulatory framework within which Land Registry, conveyancing and electronic conveyancing operate. This includes the setting of fees for dealings with Land Registry, and
— Has the power to nominate other members of the Rule Committee, with qualifications and experience, which would be of value to the committee.

Other
On advice from the Chief Land Registrar, the Shareholder Executive and the Board through its Chair, and in consultation as necessary with other relevant stakeholders across government, the Minister will also approve:

— Coherent and prioritised top-level objectives which balance the government’s shareholder, finance provider, and policy interests in the Land Registry;
— The five year Business Strategy;
— Annual Key Performance Indicators and Budget for the Land Registry which are stretching but achievable, and will drive delivery of the Business Strategy; and
— Policy and finance framework.

The Minister also approves the appointment of the Chair of the Board, following normal open selection procedures and will regularly meet with the Chair to reflect on their role, review their performance and evaluate governance arrangements in Land Registry.

The Minister will meet the Chief Land Registrar annually to discuss Land Registry’s performance and outlook for the coming year. The meeting will take place before Land Registry's annual report and accounts are submitted for approval.

Accountabilities
To Parliament.
The Board
Role
Under the leadership of the Chair, and with authority delegated (via the Chair) from the Minister, the role of the Board is to support and constructively challenge and provide guidance to the Executive team, and carefully scrutinise its proposals and/or performance.

The matters on which the Board is to be consulted are set out below:

Strategic and financial matters:
— Agreeing Land Registry's Vision and long-term objectives;
— Agreeing Land Registry's medium term (5 year) Business Strategy;
— Agreeing Land Registry's Annual Budget (including P&L, B/S and Cashflow) and KPIs;
— Conducting reviews of performance against medium term Business Strategy and Annual Budget and KPIs;
— Considering reports on significant risks borne by Land Registry in pursuit of its strategic objectives;
— Agreeing extension of Land Registry's activities into new business areas;
— Agreeing cessation of Land Registry's activities in any existing business areas;
— Considering significant changes in accounting policies and practices (with authority to agree being vested in the Audit Committee);
— Agreeing any joint-ventures, partnerships or other related arrangements; and
— Developing other major business strategies, plans or proposals in support of the approved Business Plan. The Board must judge case by case (guided by the principles at Annex C) whether it can approve these itself, or endorse them prior to submission to the Minister for approval.

Stakeholder Matters:
— Agreeing any proposed changes to the Fee Order;
— Agreeing the Annual Report and Accounts and associated documentation (with authority to agree the Annual Report and Accounts being vested in the Audit Committee);
— Agreeing changes to HMT dividend policy or payment of special dividends; and
— Considering changes to, or significant developments in relationships with, major stakeholders including Shareholder Executive, BIS, HMT, other Government Departments, Unions, the Law Society, the Council of Mortgage Lenders and the media.

Board and Senior Executive Matters:
— Agreeing major changes to Land Registry's corporate structure;
— Considering major changes to Land Registry's management and control structure;
— Considering major changes to the agreed division of responsibilities between the Chair and the Chief Land Registrar;
— Considering succession planning to the Board and Executive Board (to be managed through Remuneration and Nominations Committee);
— Agreeing press releases concerning matters specifically relating to the Board;
— Agreeing authority vested in, and Terms of Reference of Board subcommittees (Audit Committee and Remuneration and Nominations Committee);
— Considering reports from Board subcommittees;
— Conducting rigorous annual reviews of the performance of the Board, Board subcommittees and individual Board directors;
— Considering overall governance arrangements for Land Registry;
— Considering strategy towards matters of public interest which could affect Land Registry's reputation including:
  — Health & Safety
  — Environmental
  — Communications
  — Fraud
— Ensuring maintenance of the Register of Interests declared by members of Board;
— Consideration of material litigation; and
— Agreeing any changes to this schedule of matters.

Composition
The size and broad composition of the Board will be agreed with the Chief Land Registrar by the Chair. The Chair is to ensure that there is an appropriate balance of the necessary skills and experience, and between executives and non-executives. In line with best practice it is expected that this will be split broadly equally between Executive and Non Executive. As a minimum it will comprise:
— Non-Executive Chair;
— Chief Land Registrar;
— Finance Director;
— Other Executive Director(s) as required and agreed by the Chair;
— NEDs – chosen to ensure that the Board has an appropriate mix of skills and experience. The role of the NEDs is to provide expert advice, guidance and challenge to the Executive team; and
— A member of Shareholder Executive sitting as a formal NED.
Accountabilities within the Board

Land Registry Board members do not have the statutory responsibilities associated with Company Directors. However, the Chair and Non-Executives are expected to act in line with high standards of corporate governance to ensure that Land Registry complies, wherever possible and appropriate to its circumstances, with the UK Corporate Governance Code.

Chair

Standard Duties of a Chair

A summary of the wider responsibilities of a Chair, in line with the best practice set out in the UK Corporate Governance Code, is as follows:

— Lead the Board in the determination of its strategy and in the achievement of its agreed business or corporate plan;
— Monitor objectively management performance and attainment of objectives against target performance;
— Ensure the business employs best practice in respect of corporate governance, including the establishment of appropriate committees for areas such as audit and remuneration;
— Ensure the business has financial reporting disciplines in place and working adequately;
— Encourage ongoing strategic planning and business positioning by reference to external market trends and conditions;
— Ensure the Board has adequate systems to monitor and address any conflicts between the business and the personal interests of its individual directors;
— Participate in matters such as succession planning and remuneration, which will include sitting on the Remuneration & Nomination Committee which handles senior pay and appointments;
— Maintain an independent position on the Board with the objective of constructively challenging, where appropriate, the status quo and management’s assumptions and decisions; and
— Ensure that effective relationships are retained with all major stakeholders in the business including shareholder, employees, funding providers, customers, suppliers and other government departments.

The Role of the Chair of the Land Registry

The Non-Executive Chair’s function is to provide external advice and expertise to inform the Land Registry’s decision making process. The key responsibilities are:

— To chair the Board of the Land Registry and ensure that the Board as a whole is effective in its overall role;
— To develop, together with the Chief Land Registrar and the other members of the Board, the strategic direction for the Land Registry, within the context of the broader development of a PDG, and to agree this with the Minister;

— To monitor the delivery of this business strategy and other objectives as may be agreed from time to time by the Minister;

— To work under delegated authority from the Minister to satisfy himself that the Board works effectively in terms of providing appropriate oversight and governance of the strategy, plans and performance of Land Registry;

— To advise the Minister on any material issues impacting Land Registry;

— To receive from the Chief Land Registrar and, where relevant, other executives reports on the performance of the Land Registry so as to enable the monitoring of that performance and to actively participate in the 6-monthly reports to the Minister;

— To ensure the maintenance of an effective Board together with appropriate corporate governance in line with best practice;

— To contribute actively to the development of relationships with all stakeholders, both within Whitehall and more broadly;

— To act as a source of advice and support to the Chief Land Registrar; and

— To act as a performance manager of the Chief Land Registrar.

Accountabilities
To the Minister.

Chief Land Registrar
The Chief Land Registrar, is appointed by the Minister. They are also the Chief Executive of the Executive Agency and the Accounting Officer of the Trading Fund.

Legal responsibilities
The Chief Land Registrar is legally required to:

— carry out the role of registrar referred to in the Land Registration Act 2002, the Land Charges Act 1972 and the Agricultural Credits Act 1928 and is responsible for keeping the registers established for the purposes of those Acts. They have all the powers, responsibilities and duties conferred and imposed on the registrar by those Acts and by the rules and other secondary legislation made under them. In carrying out those specific operational functions they are not subject to any ministerial control or direction, although they are, of course, subject to supervision by the court through the judicial review jurisdiction;

— make an annual report on the business of Land Registry to the Minister and publish that report;
— manage and control the Land Registry Trading Fund;
— manage the funded operations (that is those limited to the
count of business under the Land Registration Act 2002, the
Land Charges Act 1972 and the Agricultural Credits Act 1928 as
well as the provision of services in wider markets relating to
registration and the management and marketing of information
relating to land and property so that the income of the fund: a)
consists principally of receipts in respect of goods and services
provided in the course of the funded operations, b) is not less
than sufficient, taking one year with another, to meet outgoings
properly chargeable to the income and expenditure account;
— achieve any further financial objectives determined by the
Minister, with Treasury concurrence;
— carry out the responsibilities of Accounting Officer of the
Trading Fund. In this capacity, they are responsible for the
proper, effective and efficient use of resources and ensures
compliance with the requirements in Managing Public Money
and with any general guidance issued by the Treasury and the
Cabinet Office. In particular, they prepare and sign a statement
of accounts for each financial year, which is to be transmitted
to the Comptroller and Auditor General. They must also send
an annual report and accounts, audited by the National Audit
Office (or a sub-contracted authorised firm of accountants) to
the Minister, with a report containing information as to the
funded operations in such form as the Treasury may require;
— ensure that all expenditure incurred in respect of the funded
operations are to be paid out of the Trading Fund;
— taking one year with another, pay into the Consolidated Fund
each year a dividend equal to the required rate of return on
average capital employed;
— establish and maintain general, capital and other reserves in
the accounts of the Trading Fund and may pay into the
Consolidated Fund any amount standing in the reserves of the
Trading Fund that at any time appear to him to be surplus to
the foreseeable requirements of the funded operations;
— invest, if they wish, money not immediately required in the
National Loans Fund appoint the staff of Land Registry on
such terms and conditions as, with the approval of the Minister
for the Civil Service, they think fit;
— determine, in agreement with Treasury, the amount and time
of any payment out of the Trading Fund into the Consolidated
Fund in respect of staff pensions and associated
administrative expenses; and
— authorise, if necessary, other members of Land Registry (that
is, members of staff) to carry out his functions.

In practice, the Chief Land Registrar, in regard to certain specific
functions will delegate to individual employees. When working
collectively with the Chief Land Registrar, the functions are carried
out by the Executive Board.
Parliamentary responsibilities
— The Chief Land Registrar is normally expected to give
evidence, on behalf of the Minister, when the affairs of Land
Registry are being discussed by parliamentary committees.
They are responsible for putting into effect recommendations
by the Public Accounts Committee, the Business Committee,
the Justice Committee and other Parliamentary Select
Committees or other authority that the Government has
accepted; and
— The Chief Land Registrar will respond to correspondence and
written Parliamentary Questions received directly from
Members of Parliament on matters concerning the day-to-day
operation of Land Registry. They will also reply to
correspondence on such matters that the Minister receives
from Members of Parliament.

Other responsibilities
— Develop a Business Plan, which includes the Annual Budget
and Key Performance Indicators and targets. They will ask the
Minister to approve the Business Plan, following which the
Annual Key Performance Indicators and targets will be
published and presented to Parliament by means of written
ministerial statements;
— Develop, together with the Chair and the other members of the
Board, the strategic direction for the Land Registry, within the
context of the broader development of the PDG, (the Business
Strategy) and to agree this with the Minister;
— Ensure delivery of the objectives and targets, and in particular
the successful implementation of the approved Business Plan
and performance in accordance with this Framework
Document;
— Report to the Board on issues of business strategy, risk,
performance, major business proposals and business
decisions;
— Seek approval or endorsement (as appropriate) from the
Board for all significant business decisions, within the
framework set out in Annex C;
— Meet the Minister annually to discuss Land Registry’s
performance and the outlook for the coming year. The meeting
will take place before Land Registry’s Annual Report and
Accounts are submitted to the Minister for approval; and
— Report to the Minister, together with the Chair, on a 6-monthly
basis on the overall performance of Land Registry.

Accountabilities
— To Parliament as Accounting Officer.

In the event that the Chief Land Registrar believes that a decision
taken by the Chair or the Land Registry Board will cause a conflict
with his responsibilities as statutory office holder or Accounting
Officer, they will seek to remedy this in discussion first with the Chair
and/or Board and then through the Permanent Secretary in BIS and Treasury. If it proves impossible to resolve the conflict, the Chief Land Registrar will invite the Minister to issue an Accounting Officer Direction.
This annex sets out the basis on which major business decisions within the Land Registry are to be approved. Land Registry is subject to central government controls over expenditure, but will engage with Cabinet and BIS early in order to increase the value of the process.

The framework is subject to periodic review, subject to Ministerial approval.

### Table 1: Approval Thresholds

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Limit above which Land Registry Board Approval must be sought</th>
<th>Limit above which the Chief Land Registrar must seek Treasury approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>£1,000,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Project Expenditure</td>
<td>£1,000,000</td>
<td>£7,000,000(^3)</td>
</tr>
<tr>
<td>Revenue Expenditure</td>
<td>£1,000,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### Land and Buildings

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Limit above which Land Registry Board Approval must be sought</th>
<th>Limit above which the Chief Land Registrar must seek Treasury approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure on Land and Buildings</td>
<td>£2,000,000</td>
<td>£15,000,000</td>
</tr>
</tbody>
</table>

### Table 2: Other Financial Commitments

<table>
<thead>
<tr>
<th>Type of financial commitment</th>
<th>Limit above which Land Registry Board Approval must be sought</th>
<th>Limit above which the Chief Land Registrar must seek Treasury approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions leading to permanent Balance Sheet Write Downs</td>
<td>£1,000,000</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Application for a loan from the National Loans Fund</td>
<td>£500,000</td>
<td>£130,000,000</td>
</tr>
<tr>
<td>Consultancy</td>
<td>£250,000</td>
<td>£600,000(^5) £400,000(^6)</td>
</tr>
</tbody>
</table>

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2 All expenditures should be subject to the Land Registry’s own internal approvals processes
3 For example new equipment for IT project which may use existing resources
4 For example new IT systems software which may use existing resources
5 For example IT consultancy for a new project which may use existing resources
6 For example Management consultancy for a new project which may use existing resources
7 Delegated Spending Authorities issued by HM Treasury 23rd January 2008
8 Subject to Cabinet Office Expenditure Controls (updated June 2012)