



Department for Business, Innovation & Skills

Introduction of a Land Registry service delivery company: Consultation response form

This consultation response form is available electronically on the consultation page:
www.gov.uk/government/consultations/land-registry-new-service-delivery-company

Alternatively, this form can be submitted by email or by letter to:

Kirun Patel
Shareholder Executive
Department of Business, Innovation and Skills
1 Victoria Street
London
SW1H 0ET
Email: bis.lr.consultation@bis.gsi.gov.uk

This closing date for this consultation is **20 March 2014**.

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

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Please tick the box from the list below that best describes you as a respondent. This allows views to be presented by group type.

<input checked="" type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Central government
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Large business (over 250 staff)
<input type="checkbox"/>	Legal representative

	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
	Other (please describe)

Question 1

Do you agree that by creating a more delivery-focused organisation at arms length from Government, Land Registry will be able to carry out its operations more efficiently and effectively for its customers?

☐ Yes

☐ No

☒ Not sure

Comments:

The Land Registry has a very high satisfaction level amongst its customers for the job that it does today and could already be described as a delivery focused organisation. Unfettered by government control, it is probable that services could be provided more efficiently but attention would need to be paid to ensuring this was not at the expense of operational effectiveness.

Question 2

Do you agree that the OCLR should retain exclusive responsibility for the functions set out in paragraph 49?

☒ Yes

☐ No

☐ Not sure

Comments:

Yes,

Question 3

Are there additional functions that should be retained in the OCLR? Please explain what and why.

Comments:

It is not clear from the consultation document where the responsibility lies for introducing and overseeing new activities and sponsoring changes to legislation that this may entail. As an example, the legal community has for a long time asked the land Registry to look at becoming a depository for leasehold information as evidenced by the minutes of the Land Registry Advisory Council (LRAC). Whilst paragraph 55 suggests that the service contract will specify that the OCLR 'should deal with policy' what does this mean in respect of new products and

services particularly in the context of the wider powers envisioned by the Land Registry consultation ?

It would have been much more logical for this consultation in respect of the introduction of a service delivery company to have been completed and the outcome known before the separate Land Registry consultation was launched.

Question 4

What are your views in respect of the proposals for shared functions set out in paragraphs 50-51?

Comments:

The concept of 'shared functions' is difficult to understand. Ultimately responsibility for a function has to reside somewhere. What happens if the OCLR and the service delivery company disagree about the performance of a 'shared function', an event which is quite likely to arise if the service delivery company becomes privatised in one form or another. Any tension between maintaining a register and the commercial motivation of the private sector needs much greater granularity of definition than 'shared functions' implies.

Question 5

What are your views on the proposed approach to service delivery company functions in paragraph 52?

Comments:

This seems to be a rather loose definition for a service delivery company in so far as it does not define how any new or add on activities will be dealt with. We refer to our response to question 3 in this respect. The parallel consultation in respect of wider powers and centralisation of the Local Land Charges Register is a good case in point. Who 'owns' the wider powers and who is it that decides it is a good idea to centralise a register already governed by statute and which performs perfectly well in its current state?

Question 6

Do you agree that the overall design provides the right checks and balances to protect the integrity of the Register and safeguard the provision of indemnities and state title guarantee? If not, please state your reasons why not.

☐ Yes

☐ No

☒ Not sure

Comments:

The proposed restructuring of the Land Registry is a unique situation and it is therefore extremely difficult to assess how this structure would work in any given set of circumstances.

Once again we cite the separate consultation that proposes the Land Registry takes on the Local Land Charges Register. In the consultation it states that it will look to Local Authorities in respect of data inaccuracies – how does this work in protecting consumers and their legal representatives if the Local Authority contests its responsibility (which is likely if the intended power within the Land Registry to amend the register is granted). In such a case does the OCLR take responsibility for the centralised Register, contract with the service delivery company for the administration of that Register, and thus become responsible for the customer imperative?

Question 7

Would you be comfortable with non-civil servants processing land registration information provided they do so within the framework set out by the OCLR through the service contract? If not, please explain your reasons why not.

☐ Yes

☐ No

X ☐ Not sure

Comments:

The service contract would of necessity have to stipulate extremely onerous penalties on the service delivery company in the event of non performance in respect of clearly articulated service standards. These standards should take account of the very high levels of customer satisfaction that the Land Registry currently enjoys in its core activity.

Question 8

Are there any situations, other than those set out in this consultation, in which you would want to see an escalation process to the OCLR? Please explain what and why.

Comments:

This is difficult to answer when the implications of the Land Registry seeking wider powers are not known. In the event such powers are granted to the Land Registry then we would expect the OCLR would manage the escalation of any concerns about the operational consequences

Question 9

Do you agree with the proposed approach for handling complaints, as set out in paragraph 56? If not, please explain your reasons why not.

☐ Yes

x ☐ No

☐ Not sure

Comments:

In the proposed structure there should be access for consumers and their legal representatives to an entirely independent resolution service (not one run by Government). This is particularly the case if the Land Registry intends to expand the remit of its activities.

Question 10

Do you agree with the escalation process set out for objections in paragraph 56? If not, please state your reasons why not.

☐ Yes

☒ No

☐ Not sure

Comments:

Please see answer to question 9

Question 11

Do you think the Rule Committee should include a representative from the service delivery company? Please explain why or why not.

☐ Yes

☐ No

☒ Not sure

Comments:

To determine this it would be necessary to see the terms of reference of the rules committee. It is normal in independently run organisations that issues relating to compliance are considered by public interest directors only without industry representation. Is the rules committee responsible for ensuring compliance with the rules – or just in setting them?

Question 12

The Data Protection Act will protect personal data that is provided to the service delivery company. Would you like to see any protections beyond this, and if so please explain what and why?

☐ Yes

☒ No

☐ Not sure

Comments:

Compliance with the requirements of the Data Protection Act is the norm in respect of private companies and it is difficult to see what additional protections should be necessary in this case.

Question 13

What are your views on the proposed system for safeguarding customer service issues and the continued role of the Independent Complaints Reviewer?

Comments:

It is our view that in order for it to be entirely independent of any vested interest that a consumer redress mechanism delivered by an outside party is necessary.

Question 14

Do you think there is a difference between the opportunities and risks depending on whether operational control over the service delivery company is entrusted to Government or a private sector company? If yes, what?

☒ Yes

☐ No

☐ Not sure

Comments:

If operational control is entrusted to a private sector company the prime motivation is delivery of profit which itself is the product of innovation, investment and market responsiveness. Any potentially detrimental impact would need to be provided for in the Service Agreement.

Government is likely to take a more systemic view and understand the implications and effect of any deterioration in service standards on the property market and wider economy.

Question 15

Do you think there is a difference between the opportunities or risks depending on whether the service delivery company is owned by the Government or a private sector company or both? If yes, please explain your reasons.

☒ Yes

☐ No

☐ Not sure

Comments:

See answer to Q 14 above

Question 16

What do you think are the constraints and dependencies for Land Registry's successful delivery of the business strategy?

Comments:

The property market is very complex and its smooth operation depends on many different professions and industries. The Land Registry is but one cog in that market and yet as with any other participating party can have a major impact if things go wrong.

It is clear from this consultation and the wider powers/Local Land Charges consultation that the Land Registry has ambitious plans. What is not clear is whether it has the knowledge and competence to deliver those plans. The consultation on centralising the Local Land Charges register displays a very concerning lack of understanding of the operation and delivery of the LLC1 and the CON29 and this after 18 months of trying to get to grips with the centralisation project.

The question asks about constraints and dependencies and it is CoPSO's view that based on past experience the Land Registry does not perform well when it tries to introduce change or reform, rather than concentrate on its core activities. Last summer, when it was focusing on these consultations, its Land Charges centralisation project and its internal restructure, service standards in respect of registration of first title slipped alarmingly and had a serious impact on the legal community.

The Land Registry wrote off £87million of tax payers money on the last three projects where it ventured away from its core activity.

Question 17

Do you have any other comments on the proposals contained in this consultation?

Comments:

It is CoPSO's view that this consultation is intended to result in the privatisation of the Land Registry and raise a substantial amount of money for the Treasury. CoPSO is comfortable with this as a concept – indeed the Council exclusively represents the private sector which has delivered innovation, competition and consumer focus to the property information sector over many years.

CoPSO's concerns lie around the potential for a private sector company to be handed a monopoly (or indeed monopolies) which could lead to abuse of a dominant market position to the detriment of the consumer and the wider housing market.

The consultation is silent on this issue and greater transparency of intent and the potential consequences of that intent would have been preferable.

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Question 18

Do you have any other comments that might aid the consultation process as a whole? Please use this space for any general comments you may have. Comments on the layout of this consultation would also be welcome.

Comments

This consultation should have been issued in advance of the consultation that the Land Registry has just concluded on wider powers and the Local Land Charges Register centralisation. That it was not is either through a lack of understanding of the interaction of the two consultations or worst is a deliberate attempt to obfuscate and mislead stakeholders who are responding to them.

Thank you for your views on this consultation. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply x ☐

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

x ☒ Yes

☐ No

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